

# **Classification Management**

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**JOURNAL OF THE NATIONAL  
CLASSIFICATION MANAGEMENT SOCIETY**

# CLASSIFICATION MANAGEMENT

National Classification Management  
Society Journal

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## *The President's Letter . . .*

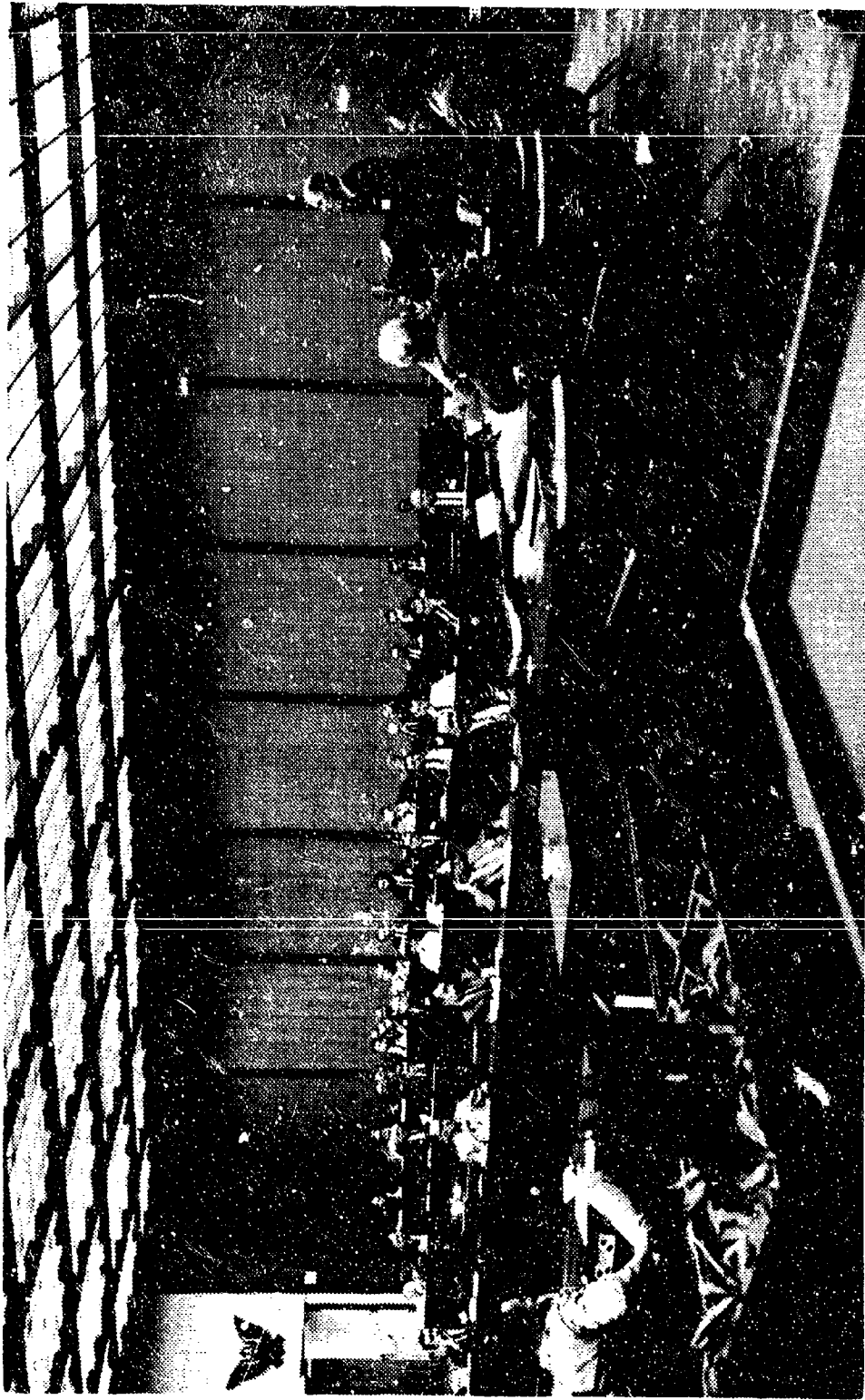
The past year has seen our chapters in Washington and in northern and southern California flourish and increase, providing examples for other areas to emulate. Their meetings have been a continuing stimulus in the practical application of classification management and enlisting new members. Out of their activities has come already a sizable flow of articles to keep our journal editor supplied. Two-thirds of our 120 NCMS members now belong to chapters. If there is no chapter in your area have you thought about starting one?

Our first National Seminar was a great success. If you were there you don't have to be told; if you had to stay away you missed a historic occasion. From Dick Durham's opening remarks on Tuesday to the final salute on Wednesday afternoon all of us, I think, experienced a mounting sense of unity and purpose—an awareness that our Society had an important mission and was well on the road toward carrying it out. As we talked and deliberated, asking questions and sharpening issues, we recognize more fully our common enterprise. We found ourselves participating in a striking demonstration of the difference between a forum and a society. We did far more than make speeches and vociferate. Having come together in voluntary co-equal association (and having given tangible token of our allegiance in the form of dues and fees paid) we discovered with enthusiasm that in NCMS we had created a body that was of us and for us. I believe we all felt that NCMS had passed its first great test and justified the expectation of its founders. I am sure we shall continue to justify that expectation.

This issue of the journal (expanded three-fold to avoid fragmenting the record) brings back the words—some of them at least—that made history in the State Department's conference hall; but it is only an echo, or rather only the transcription of an echo. If your ears were absent you must perforce now be content with what your eyes can do. If you were there, you can hear again the sound of many voices mingling wisdom and humor, argument and agreement, and so recapture the quality of our Washington gathering.

DONALD B. WOODBRIDGE





Dept. of State Photo

NCMS Panel in Session in International Room, Department of State, Washington, D.C.

*Proceedings of the First National Seminar  
National Classification Management Society  
Washington, D. C.  
July 14 and 15, 1965*

**Richard L. Durham, Seminar  
Chairman**

On behalf of the National Classification Management Society I would like to welcome you to the International Conference Room of the State Department, and to the first seminar of this newly founded Society.

At any time during the next two days we heartily encourage audience participation, for which this room is ideally set up. The two-day session is being tape-recorded by the Department of State Visual Services. It is our intention to write up the seminar in the next issue of the Society's journal which will be sent to all of you who have registered. We actively encourage a free exchange. The panels will have formal presentations and then we'll go into an audience participation. What we get out of this seminar in the next two days is what we put into it, ourselves. Express yourselves, the panels will express themselves and present their ideas to you. Let's try and make it a successful two days, by active participation, so that we all shall carry away some worthwhile ideas.

Before I introduce the Chairman of the Board I should like briefly to explain, for those of you

who may not know, how the Society came into being. In May, 1963, at Bendix Corporation, Kansas City Division, a group of AEC classification officers from the contractors in the weapon program, who had gotten together for a regular conference, thought perhaps the time had come to formalize or organize a professional society in classification management. We pursued this idea a little farther by getting some opinions from Department of Defense contractors. In November, 1964, at Sandia Corporation, Livermore Laboratory, a meeting was held. At that time there were three representatives from the Department of Defense contractors—Bob Rushing, Lorry McConnell and Bill Herling. A steering committee was appointed to look into forming and chartering a Society of Classification Management. The Society came into being in 1964, when it was incorporated in Albuquerque, New Mexico, under New Mexico state laws, as a non-profit corporation. Today we have grown to the point where we are having our first seminar and we hope we will leave you with some stimulating ideas. The board members will be glad to answer any questions which you may have per-

taining to the Society.

I would like now to introduce the Chairman of the Board—or the outgoing one—since there's a new one as of last night's Board meeting—Don Woodbridge from Union Carbide Y-12 plant. Don was one of the original fathers of the Society back at the Bendix meeting. Don has been in the classification management business of AEC weapon complex for many years. He's well qualified to speak as a classification officer.

### **Donald B. Woodbridge**

Good morning, ladies and gentlemen, and welcome. Back in March the Division of Classification of the AEC sponsored a very interesting 3-day get-together in Germantown, which was billed as a symposium. Our two-day meeting this week is called a seminar. We tend to use these two words interchangeably, but, when we do, we lose much of their quality. AEC Commissioner Tape back in Germantown—in a luncheon address—alluded to the origin of the symposium back in ancient Athens when Socrates and his friends in their discussion on the ideal state left an immortal prototype for the future to emulate. Now, *seminar* on the other hand, if you remember your Latin, is a seed bed or a nursery where the seed, the *semina*, are sown and nurtured until ready for transplanting. And so it is to be hoped that the ideas planted here today and tomorrow will be transplanted by all of us to our home grounds, there to bear fruit and prosper.

It's my happy privilege on this

occasion to bring greetings on behalf of the Board of Directors and to introduce the members of the retiring Board who have served you since October—more or less incognito.

Our first—Bob Rushing here—we really can't say he's been incognito—has a job of acting as Senior Classification Management Representative for Lockheed, but as far as we're concerned he has been a main spark plug in getting this society organized and keeping it moving, prodding the rest of us to get it where it is today. Bob follows me on the program, as you'll see, and I'm very glad of this because anything I forget to say I'm sure he will pick up and tell you. As an example of his drive and energy, I might mention that, when I looked through the roster of members as it appears in our Bulletin, Lockheed had twelve members of the Society. That tells you a great deal about Bob and his energy and about Lockheed, too.

Dick Durham we don't need to introduce because he just introduced himself. He's Director of Classification for U. S. Arms Control and Disarmament Agency, but today we have to thank him for the outstanding work he has done in organizing this seminar together with the Washington Chapter, headed by Don Garrett and Gene Suto. I think we should give him a vote of thanks that we find ourselves here today in these beautiful surroundings. You will be pleased to know that, at the Board meeting last night, such a vote of thanks and appreciation was en-

tered into the minutes.

Bill Herling, our Secretary-Treasurer, was called to other fields this Spring and so he is not with us today. He's been moved from California to Texas.

Tony Correia is Chief of Security, Ballistics Systems Division, US-AF, and responsible for furnishing classification guidance to approximately 325 contractors. That's quite an order, isn't it? Working on various level programs. I understand that Tony is contemplating retirement next year and I am wondering what those 325 contractors are going to do.

Bob Niles is also on the retiring board. He has been active here in the Defense Atomic Support Agency and in liaison work with Document Control.

Then we come to Les Redman, who unfortunately can't be here. As you may know, Thursday is the twentieth anniversary of the detonation of the Trinity device at the Jornada del Muerto, and Los Alamos is having their biggest and best open-house—to which people will come from all over. You may have seen the write-up on it in last Sunday's Times travel section. Les has been the editor of our journal and although our Spring issue threatened to become our Summer issue, the final results, I think, are something we all can take a good deal of pride in. We certainly will miss Les here. Besides his being a very learned man in classification and in the scientific and technical fields, I think many of us will remember him as one of the world's most prolific

producers of pertinent polysyllabic and polylingual puns.

We have been in business long enough to have a few statistics. Our balance as of June was twelve hundred and fifty-four dollars and a few cents. We now have with all of our bills paid ten hundred and twelve dollars cash on hand. Our membership at the present time is 87 of which we have quite a number organized in three chapters—the Washington Chapter here with 18, the Southern California Chapter centered in Los Angeles with 26, and the Northern California Chapter (I'm tempted to say centering on Lockheed) with 18. Our registration today, you might be interested in knowing, is 97, and we're supposed to have 92 in the room at the moment. So much for statistics [Total attendance was 153.]

Those of you who have been farsighted enough, adventurous, and audacious enough, to become members of the National Classification Management Society will have observed in the upper right-hand corner of your membership certificate a motto or maxim indicative of our purpose. If you haven't become a member and you haven't one of those certificates, now is the time to see about it—get in touch with Lorry. Our motto goes like this:

Recognizing that the safeguarding of our country's aims and achievements depends on effective classification, NCMS seeks to promote professional competence in the identification and protection of information vital to the national security.

It's not easy to invent ringing, high-sounding, quotable maxims with the word "classification" in them. Just try it some time and you'll find yourself coming up with irreverent gems like these:

"Classification is the hobgoblin of little minds," and "Give me liberty or give me classification," or—my favorite—"Classification is the last refuge of a scoundrel."

It reminds me of a contest to contrive the most arresting combination of two lines from Shakespeare—each from a different play. The prize winner was:

Imperious Caesar, dead and  
turned to clay  
By any other name would  
smell as sweet.

We can test a maxim by how well it lends itself to speech-making. When I started putting these remarks together I found it hard to resist showering you with examples like:

There is a tide in the affairs  
of men . . .

Out of this nettle, danger,  
we pluck the flower, safety.

But if you'll let me be facetious a little longer I want to give you this from Montaigne:

"There is more ado to interpret interpretations than to interpret the things, more books upon books, than all other subjects; we do nothing but comment upon one another."

Now if we substitute "guides" for "books" in this remark we have an all too common caricature of our own activities, an image we need to combat.

I came across a modern counterpart of this quotation a couple

of days ago in a cartoon by Saxon in the New Yorker Magazine. The scene was a cocktail party in a glass-enclosed room and one of the gentlemen was saying wearily to an eager young thing: "Of course we question, of course we sift, but we keep talking to ourselves. What about the rest of the country?" I could not resist embellishing the drawing by printing "classification" on the glass wall in reversed letters and circulating copies to fellow workers in the vineyard. I discovered that the embellished cartoon is a kind of test piece to divide classificationists into two categories—those who laugh or chuckle, and those who feel offended.

When I consider our own motto, I think it meets the test of speech-worthiness—our country's aims and achievements and the safeguarding of them are themes for many an oration. Effective classification will be a permanent topic in our deliberations. When protecting information vital to our national security, we join hands with our colleagues in the security business.

But the words I want to single out today are "professional competence." Is it proper to consider professionalism and professional competence apart from what is professed—apart from any particular profession? I think it is and I propose for a few minutes to do so. There are certain attributes and qualities common to all true professionals whether they belong to the oldest or to the newest profession, whether their performance is condemned as

wicked or exemplifies what is best and noblest in mankind. The successful courtesan who has reached the summit of her profession so charms her patrons by the perfection of her arts that they happily forget the meretricious nature of the whole affair. The parish priest who has mastered his profession brings comfort, enlightenment and inspiration to his flock—brings them in their worship ever nearer to God—while all the time he may be tottering on the brink of atheism. A great physician tries to prolong the life of the meanest patient with the same dedication, the same exercise of all his skill and talent, that he would put forth in behalf, let us say, of the president of a billion-dollar corporation.

Inevitably people's views of professionalism are colored by their attitudes toward various professions. Sentimentalists and free-thinkers tend to regard the professional as somehow morally inferior to the amateur—particularly in the world of sports. To do something for the love of doing it must be, they are sure, superior to doing it for money. Thus when a tennis champion dashes from the final match on the center court at Wimbledon to sign a contract to play for money with a traveling troupe of former champions he somehow ceases to be a gentleman—though he may have just taken the first step toward becoming a man. The college football hero turns into a hired gladiator when he joins the Green Bay Packers. A volunteer soldier defending his country is honored on all sides, but merce-

nary troops imported for the same purpose are hired killers. And so it goes.

What we encounter here is the familiar confusion between doing something for the sake of money, and getting paid for doing something well. It is not money but the love of it that Timothy called the root of all evil. Even more basic is the failure to understand the true nature of money, the failure to recognize that an exchange of money is a sign of a contract entered into or completed. We are so conditioned by epithets like "filthy lucre" and "the root of all evil," that we seldom stop to realize that the invention and development of money is one of mankind's greatest spiritual accomplishments.

The professional—I will not call him the true professional every time but that is what I mean—the professional practicing his profession enters into the contract or covenant—not necessarily written but always understood and accepted by him—to perform his agreed-upon task with all the skill and ability at his command and with all the knowledge and resources of his profession. To deliver anything less than his best is a betrayal and he is the first to suffer from it. The dual loyalty and responsibility to profession and employer must often mean that the employer is less than pleased. Consider the artist painting the portrait of a wealthy patron. Shall he paint the rapacious old man the way he is or portray him as an elder statesman? Art museums provide interesting studies

in how well this challenge to professionalism has been met down through the centuries. An architect may be so determined to build nothing that does not represent the best in architecture that his clients either learn to accept his judgment or go elsewhere. Of course, if too many clients go elsewhere, the architect may discover that he is not professional, but just pigheaded.

In our profession we are no strangers to this dilemma. After we have identified information vital to the national security, we have to persuade the inventors, developers, and users not just that the information is vital—that's often not too hard—but that the rules we lay down for its protection are justified and make sense. Like the day one of our production men, one of our most caustic and outspoken characters, cornered me in the hall with an accusing finger and said, "Woodbridge, you are costing this plant thousands of dollars a day"!

Professional confidence and the upholding of professional standards seldom come cheap in any field, but when people want a job well done, it is the professional they go to. His insistence on the quality of performance, his sense of duty and his discipline, his loyalty to task and employer, are things to be valued and cherished in this day of juvenile delinquency when the youth of the land spend and are encouraged to spend their time ascertaining what they call their "rights", as though "duty" and "obligation" were words from a forgotten language. With few ex-

ceptions the great achievements of this world are the achievements of professionals and the professional spirit.

I think we may properly leave discussion of the world's oldest profession until after hours, but what about the newest? I am claiming, of course, that ours is the newest. What name shall we give the practitioner of classification and what are his qualifications? Whatever we call him, we may be sure that by any other name he would smell as sweet. We haven't much choice—as I see it we are either classificationists or classification managers. Classifiers won't do; we don't want to confuse sifting information with sifting ores and powders. Classifier is correct, but unpronounceable! I prefer to think of myself as a classificationist rather than as a classification manager. It somehow suggests a higher order of professionalism and involvement with theory and formulation as well as with manipulation. Classificationist is not a pretty word but it is in the right tradition along with chemist, physicist, and biologist. In the March symposium, in a very penetrating analysis of classification principles, Mr. C. L. Marshall gave us this definition:

Classification, as we practice it, is the profession of selecting and identifying the information which is important to the national defense and security, and the assignment of classification markings which describe the level of that importance.

First then we are selectors, identifiers and markers. What

else must we be to carry out these tasks? It is a tall order. In the practice of our profession we discover that we must be informed in physics, chemistry, metallurgy, engineering and a host of other scientific disciplines. We must be expert buyers, accountants, lawyers, detectives, semanticists, masters of logic and rhetoric, we must be politicians, and diplomats. And we must have a sense of humor. Now do you recognize your own portrait in this catalogue of talent?

Achieving professional competence as a classificationist is no idle undertaking. And the full exercise of that competence will run into frustrations on all sides. But if we as members of NCMS can support one another in this enterprise and arouse in other areas of management the recognition that classification and classification management are not activities to be administered with the left hand, but full time professional responsibilities, our Society will have justified its foundation and its continued existence.

**Robert I. Rushing**

Thank you, Don. He didn't really leave very much for me to say. I do appreciate having the opportunity to speak this morning. I would like to briefly cover a few points and get down to the order of reporting to you on the Board of Directors' meeting last night.

I, like Don, would like to offer my thanks to the Washington Chapter, particularly to Dick Durham, Don Garrett, and Gene Suto, and those other members of the chapter who have made the out-

standing arrangements for this seminar. I have never seen anything so nice in any company, even in the aerospace industry. This is really a nice place. We, of course, as Don so aptly stated, are here today for a common purpose. This is for the purpose of finding out more about classification management. I am sure that this seminar will prove to be a seed bed from which many ideas will germinate and we certainly need ideas.

Classification management in all its aspects is certainly in its earliest stages of formulation. It embraces, as Don stated, various areas. Not only is the question of national security involved but also the question of national budget. Because presently I would estimate that, in the defense industry (aside from the military services), the inventory of secret documents and top secret documents is in excess of 100 million. Two years ago I had an occasion to survey 65 companies. These were strictly defense industry companies and Atomic Energy Commission contractors. These 65 companies had at that time in their possession slightly over 3.75 million secret documents. And their inventory was increasing 5% per year. I am sure that through classification management this inventory increase can be changed to a decrease. This is a facet of classification management which is apart from the idea of identifying and marking classified documents and apart from the security aspect of assuring that they are adequately protected. This to me is the tangible part: to prove to our



management that classification management can pay for itself. This is an aspect which the Defense Department (should I say the military services and the DoD proper) are probably not so aware of as they would be if they were within the Defense industry itself--within the contractor family. The reason is, of course, that the defense contractor has the requirement to account centrally for all secret and top secret material, predominantly secret.

I feel that the defense contractor has got to address himself to the idea of inventory management, and can play the lead in this area. We certainly have many problems facing us today. I would say that the first order of business in resolving these problems is to develop a method of carrying out the various aspects of classification management. This, of course, includes inventory management and the business of what constitutes good classification guidance.

How do you write good guidance? How do you communicate with people? I feel, and I have seen this numerous times, that we have overlooked the fact that within education and within industry it is well understood and recognized that the business of communicating and communicating properly, where you are understood, is a very difficult task. But yet when we talk about classification guidance it is just automatically assumed that the engineer, the scientist, the administrative man really understands what the guidance writer intended. I think we have emphasized too much the

importance of making the proper original classification determination, as opposed to the derivative classification. I would estimate that probably 50 to 100 derivative classification determinations are made for each original classification.

Certainly the original classification determination must be correct. But somehow I think we have missed the point in providing guidance in communicating with the person who is generating a document. I want to make the point that it is through seminars of this sort that NCMS can provide a real service to industry, the Defense Department, and various other government agencies that are engaged in the handling and generation of classified material. I feel that NCMS must always remain objective; I feel that NCMS must never get into the business of attempting, as a Society, to force their ideas or approaches on anybody. NCMS must always be a forum for the various members, as members, to communicate with each other.

I would like to change over and talk about our Directors' meeting last night very briefly. The bylaws of the Society provide that the retiring president will assume the position as chairman of the Board of Directors. As all members are aware, we recently elected three new directors to the Board of Directors. I would like to introduce these new members at this time. Dr. Leslie Redman, incumbent, was re-elected for a three-year term of office. As Don has explained he is not here today. A new mem-

ber of the Board of Directors is Mr. Francis W. May. Frank is the chief of the Classification Management Directorate, Inspector General's Office, Headquarters USAF. I have personally been acquainted with him for a number of years and I feel that he is well qualified, and has an outstanding grasp of classification management principles. I recently read a presentation that he made last September and I can certainly say that Frank is looking ahead and I have no doubt that he is going to continue to come up with new ideas and help this field to really develop into what it should be. The other new member of the Board of Directors is Lorry McConnell. Lorry is employed by the System Development Corporation in Santa Monica, California. He is a charter member of NCMS; as Dick Durham mentioned, he is one of the three DoD representatives who met at Livermore on the initial stages of the forming of NCMS. Lorry has had extensive experience in the field of publications and security classification, and I know from experience that the System Development Corporation has a very fine classification management program.

Also, at the Board of Directors meeting last night, we elected the new officers for the forthcoming year. Since we had new blood we thought it would be desirable to try these gentlemen out. Lorry McConnell is the new Secretary-Treasurer for the NCMS for the forthcoming year. Frank May is the new Vice President for the next year. Our new President for

the NCMS for the coming year is the gentleman who just spoke, Donald Woodbridge. I feel that with the leadership provided by these men the NCMS will continue to grow during the coming year.

Gentlemen, at the Board of Directors meeting there was no new business; the board has no amendments to the bylaws to present. I would like to say that during the forthcoming year, it is our intention to activate three new chapters: one in the New England area, one in the Huntsville area, and one in the Ohio Valley region.

When I finish speaking here I will introduce to you Richard Boberg. Dick is the Seminar Chairman for the 1966 Seminar, and we are not planning a minute too early. I will ask him to say a few words about our 1966 Seminar—its location and some of the plans we have. Now at this time I would like to have any questions from the floor concerning NCMS business. This is the time to communicate. If I can't answer them I will refer the questions to your new president. Do we have any questions from the floor? Any comments? Now, when Dick Boberg gets through speaking about the seminar, Dick Durham will have a few closing remarks to make. Any questions, gentlemen? This is the time to speak or hold your peace forever, so to speak. At least until we have a panel on. Dick, could you say a few words?

**Richard J. Boberg, Aerospace Corporation.**

Thank you, Bob. I was sitting here thinking about Don Wood-

bridge's discussion on professionalism and of the various definitions of our trade and what kept running through my mind was the paraphrasing of the old engineer's story about "Last week I couldn't spell 'classificationist' and today I am one." As Bob Rushing mentioned, last night at the board meeting we started thinking and talking about next year's seminar. It is probably just a little bit early in some of your minds to think about next year since we haven't begun this one. I have been asked to chair the seminar and I find that I am already a little bit late in getting started. I wanted to talk just very briefly about what our thinking might be. There is nothing firm about any of this thinking since what I am going to discuss came up about 12 hours ago. There has been nothing done to back any of this up.

Our thinking for the moment is that the seminar will be roughly just about a year from now during the month of July. It will be on the West Coast and it undoubtedly will be in Los Angeles, or the Los Angeles area. We discussed very briefly last night the possibility of having seminar headquarters at Disneyland Hotel. It is a rather large facility and there are many smaller hotels and motels surrounding it. There will be at this time next year a major league baseball stadium adjacent to it. The Los Angeles Angels of the American League will be playing there. We have also adjacent to it a theatre-in-the-round where they have major plays and headliner night club acts. It is obvious that

the emphasis is toward the recreation side but we thought that since we are very proud of our vacation land in California that perhaps we would put this in that vein. Our thinking also is that if it is to be two days, we would point toward a Thursday and a Friday. And for those of you who might be interested in bringing your families and making a vacation out of it, this would tie in at least with a week-end. Of course, there are some obvious advantages to Disneyland itself. I would like to say that I will be available and that I will be here for the next two days as you will too I hope, and in addition my name and address are in the journal which I think you all have. I should appreciate hearing from any of you who have any suggestions, comments or anything at all about next year's seminar planning.

**Durham** As I sat here listening to the comments of my distinguished colleagues I couldn't help but look across at the audience and realize that a good many of you in the audience are members and I cannot emphasize too strongly this is your forum—this is your chance to gripe at us board members — this is the one time of the year you get a good crack at us all together, so please don't be bashful or shy. I think we're off to a good start, but I can't help but wonder if we're so perfect that no one in the audience has comments on the Society?

**George MacClain, OASD** I would like to say that if it weren't

for the energetic activities of these gentlemen we would not be here. I think we have to be very conscious of the fact that the work they're doing to bring us here—much of it has been done on their own time and, certainly, beyond the call of duty. I would also like to say—not to the board—but to those of us who are here—if we have any spare time this morning before we go into regular session, I think it would be very good indeed to stir up a hot conversation in the presence of everybody on some hot subject if, in so doing, we do not invade the area of the panel discussions coming along. It may be hard to address a question to a group of outstanding officers and directors but it may not be hard to address a question to anyone who wants to answer it on the classification problem.

**Durham** That's a good suggestion—anyone who doesn't recognize him—that's George MacClain, Director of Classification Management Office, Secretary of Defense—it's a good point, thank you, George.

We are going to have some time. In planning a business meeting it seems better to allow enough time for whatever may come up—extra time can be used for a coffee break.

As Seminar Chairman I owe a debt of gratitude to a lot of people who helped me make this seminar possible: George MacClain, Don Garrett. Don, especially, held my hand or furnished a crying towel when I needed it and believe me

there have been occasions when I needed it. My good friend Bob Whipp, our member from the Department of State, has made possible use of this room. My own agency has been kind in supporting this first seminar. Other people have furnished their time and secretarial help. So at this point, at George's suggestion, I would like to entertain any question or any subject that anyone would like to raise here in the remaining time, or, of course, perhaps some of you feel the need of a cup of coffee. Are there any comments on any topics that anyone would like to make at this time? . . .

**Woodbridge** Yes, Dick, I have one. I threw out the matter of what we're going to call ourselves—I think it is an important question and the choice of a name can help or hinder us. I would like to hear some expression of opinion other than my own on the matter. I think there is a tendency, depending on what area you work in, to conceive of yourself as a manager of classification, or a member of classification management personnel, or as a man who is busy with classification *per se*. Let's have a little discussion on that point. Anybody have an opinion?

**Durham** It's the Chairman's prerogative to ask a friend in the back room, Howard Maines, for a comment. What do you think, Howard, should a person working in this field call himself a classificationist or a classification manager?

**Howard G. Maines, NASA** You really don't want me to tell you—I don't think at this stage of the game you want me to tell you, do you? They have classification experts—libraries use the word frequently—classification of documents, books, not in a security sense, but by titles or subjects or however they catalogue them—that's widely used in librarian circles. Maybe someone could come up with something that doesn't have to say classification—it can say daisies or something else, some new name, some new title.

**Durham** You know this is interesting coming from the AEC side of the business—when you say “classification” in the AEC side or AEC contractor side it means just this—“security classification.” When I came to Washington, in my agency the position of Executive Director is a rotating position. Every three years a foreign service officer is detailed to our agency to fill this position and in July of this last year Mr. Joseph Donelan, Jr., was detailed for a three-year tour. Joe was around the executive offices for about a week, and my office is located about three offices away from his and I hadn't met him. Most everybody else in the executive offices had met the gentleman. Finally, one day I met him and he said, “Let me tell you why I've been so long getting around to you. For over a week, I've been trying to find out what a classification officer is.” He said, “If some of you had told me it stands for security

classification officer then I would know what you're doing here.” So, maybe, there is some merit in this—maybe the term “classification” is being taken too much for granted. Maybe there is a better title. Bob, you have something you wanted to say . . .

**Rushing** It's nothing more than what you and Howard Maines have already raised. In helping you on this Seminar I have contacted some four, five, or six agencies on various occasions and invariably this is a problem—they stumble over the meaning of this organization. Immediately, if they hear the word “security” connected with it, it simply falls into place. I believe some change in the title would be in order if we want the name of the organization to suggest the business which we are engaged in.

**MacClain** Well, I would like to comment in response to Don Woodbridge's suggestion. I would like to hope that we could distinguish our total function from what it seems to me the word suggested by Don implied, namely, making the classification determination in itself. That is certainly the important business of classification—security classification. And deciding to unwrap what you have already wrapped up is equally important—which is, of course, what Bob Rushing is talking about. But the words “security classification” mean something, where “classification” by itself does not. I think “classificationist” means far less than the concept of “classification

manager." Now, call it "security classification manager" if you want to—call it "security classificationist" and this might be as equally puzzling as just the word "classification" by itself. My own reaction, Don, is to try to promote the idea of the management of this whole problem by keeping the word "management" in it somewhere—I would certainly like to see that done.

**Durham** I would like to recognize the distinguished gentleman in the back of the room who indicates he has some thoughts on this matter—Col. Sid Rubenstein.

**Sidney S. Rubenstein, Mosler Safe Company** The thought occurred to me that we have often heard of 'criminologist', 'neurologist'—all kinds of various professions with names made for the profession—and I'm beginning to like "classificationist" although it's hard to pronounce to begin with. But if you go back as to why we are here, actually it's because of security. We have to identify and appraise the substance of the thing we're trying to protect, that should be protected, and the thought has occurred to me and maybe it could be up for consideration—the word "securitologist." He would be a man who is trained in the techniques and methods of security. Securitology would be those techniques, methods, procedures, sciences, laws and regulations necessary for identifying and classifying information so that it would be given proper security.

**Durham** Thank you, Sid. There's one thing that never ceases to amaze me. You get a gathering of this type—maybe it's a propensity of the classification function, but I have yet to run into a classification officer who lacks words—with due respect. Any other thoughts on this—Jim Marsh?

**James G. Marsh, Sandia Corporation** When you lose the security connotation, you lose a lot of the definition. We found this out when we tried to recruit. We had an advertisement in the papers. Our personnel organization had helped by editing our copy for us, and so just the word "classification" was used. We got a diversity of replies to our ad. In fact, ones you wouldn't believe. None of them was suitable for our position. I do like George MacClain's idea also of keeping the idea of management in it because I think that is the fundamental job we are doing. So I think the wedding of the two (the words I don't have) but the wedding of the two certainly I would subscribe to.

**Durham** Now, anyone on the Board. Bob?

**Rushing** Without being verbose—I would like to throw a word in here which has not been mentioned. When my youngsters come home and they ask, "Daddy, what do you do?"; when my relatives come; I've found that the easiest way to explain to them is that I am a "security classification analyst." That is a word that has not been said here, "analyst," mean-

ing analyzing information and deciding whether it's classified or not classified.

**Durham** Let me ask Pat Carpenter, from CIA, sitting on my left. Pat, I know the word "analyst" has a different connotation to you—how would you look at this problem?

**Pat Carpenter** Just on hearing the comments so far I think definitely that the title of "classification" alone does not present a proper understanding of what we are after. In fact, it seems to me more of a problem of administration rather than a problem of management, conveying more or less a security administration of classified material. I think that's what we're doing—it's paper unfortunately—but I think the title does not properly convey the purpose of the organization.

**Durham** Thank you, Pat. Someone once said to me in defining "classification management" or "classification specialist" or "analyst" that he is a person who uses technical know-how in making administrative determinations. Bob, you have a comment?

**Rushing** I frankly believe that our problem is people understanding what a classification management person is. The original steering committee was faced with the problem of what to call ourselves. There are just so many words you can get in a title—it's got to be short enough to get on the letterhead to start with—it's got to be

short enough that when you're giving the title that you don't feel you're making a speech. Now, I feel that most of the problem of people not understanding what a classification specialist or analyst or manager is, is due to the fact, as Don said, that we're the newest profession. Let's talk about security, are we going to talk about social security, industrial security, military security? What are you going to talk about—plant security or a security analyst? I once read a little article about the president of our company. He made a speech, a security speech, he was talking to some securities analysts, some stock analysts. So help me, I actually misunderstood it when I read the brief in the paper. We're going to continue to have people not know what security classification is so far as that's concerned. Remember you've got to have a word or term that is broad enough to encompass not only industry, DoD, but other government agencies. Now whether a government agency prefers to call their people security analysts or security classification analysts, it's strictly a matter up to them. But the common term that lumps them together is what we're after. It must by necessity be broad. We can't restrict it to one facet of the whole problem, because every company is not going to organize the same way and they're not going to use the same terms. One time when I was in the military, we received a message that some communications specialists were to visit us. We thought they were communications people as we think of com-

municating—with space vehicles and such as this. But they were public relations people! They meant this was their job, communicating to the public! So we're not going to resolve this in five minutes.

**Durham** No, but it does give food for thought. I personally feel that one of the big problems in classification is a lack of communication. Between one and another, or from organization to organization to organization, common language is helpful. I think I would like to throw the question once more out to the floor for a brief minute to Dick Healy who is sitting in the audience. Dick, of course, went through the same growing pains eleven years ago that we're going through as a new organization today. Dick, in addition to being Corporate Security Officer of Aerospace Corporation, was the first national president of American Society for Industrial Security. And, Dick, the question I have for you—you've heard this talked about. Is our title descriptive enough—did you have a semantic problem in your first year of founding of ASIS?

**Richard Healy** Yes, many. I should amend your statement. I was not the first president. Paul Hanson, of Reynolds Metals, was the founder of ASIS and the first president. And I guess I was the third one, which was still pioneering the effort. And it seemed that almost every time we turned around, we had semantic problems of what we were going to call

things. Sid Rubenstein is in the back of the room and can remember those days very well. One of the great problems we had, and I guess it's still really not resolved, was an attempt to make it a professional kind of organization, which raised the question of whether or not folks who sell services and supplies should become members. I don't think you've got the same problem here. This is just an example—I'm just thinking out loud back over the years to some of the problems we had. And this is a very big one and I believe it still is. I'm away from the problems now and retired from an active participation in the Society. This is one you wouldn't anticipate if you were going to form an organization like that, I believe, but this came up as we went along. It's obvious this was not planned; I didn't know he was going to call on me. And my remarks, I think, reflect this . . . I'm just trying to react and I don't believe I'm doing it very well. But I think the answer is yes. In a new organization like this, there are constant problems of this type and I suggest that you probably haven't found them all yet.

**Durham** Thank you, Dick. I don't want to belabor this point — I think we can continue on the topic among ourselves. Let's take a coffee break.

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#### **Durham**

To start off our formal part of our day-and-a-half seminar, it gives me great pleasure to introduce Father Lewis Quinn of the Holy Cross Parish, Garrett Park.



Can we all please stand for invocation.

**Father Quinn.**

We ask thy blessing, Almighty God, upon all who have come from every section of our country, to participate in this First National Seminar, of the National Classification Management Society. May these sessions be marked by generous attentions and good will, as well as intelligent appraisals and wise judgments. May each one have something to give, and something to receive, as free and open discussions, the sharing of ideas, the meeting of minds, the recognition of mutual goals, lead to a healthy enthusiasm and a deepened conviction of the great importance and necessity of the responsible carrying out of respective duties. May each one be vigilant in protecting the rights of all without infringing upon or sacrificing the rights of any. May our nation be stronger and our people more secure because of the dedicated lives of each one present. May we ever be worthy of Thy continued blessings. Amen.

**Durham** I often joke with the next gentleman whom I wish to introduce. I have alluded to him this morning and I always tell him he's in the swim of things mainly because he used to be a Marine Corps frogman. After his days in the Marine Corps, he spent, I think, approximately twelve years with CIA before coming to the Department of State. Bob Whipp is our only current member of the National Classification Management

Society from the Department of State. At this time I would like to introduce my distinguished car pool partner, Bob Whipp.

**Robert F. Whipp**

Thank you, Dick. Dick has alluded to several things here, and it makes me appear somewhat strange. Perhaps, and I'm not sure, maybe I am . . . I haven't discovered this yet. However, it reminds me that as a child at home I used to hear the neighbors say "He's very quiet," and then I heard the comment, "Still water runs deep," and all this sort of thing. So I thought, aha! Let them keep thinking that — they don't know that I'm mentally retarded! The other thing Dick has alluded to as a sole member of the Department of State — well, perhaps then, with the strangeness and as a sole member, you might want to refer to me as the Lone Ranger or something like that.

Ladies and gentlemen, distinguished guests, members of the Society of which I'm proud to be a new member, I'm very happy to have this opportunity to say a few words this morning. As you know, our next speaker was to be Mr. Crockett. Unfortunately, Mr. Crockett cannot be with us this morning. He was suddenly called up to the Hill to testify. So I would like to extend his regrets that he cannot be here. Personally, I would like and wish to welcome each of you to this first national seminar. Perhaps while you're here, you may find the stay in our city pleasant. I hope that it will be one of your cherished memories, after

you have left the city — those of you who have travelled some distance. The other thing perhaps while you're here you'll have an opportunity to visit our museums, our beautiful parks and observe first-hand how our highway department, despite the street work, seems to be able to move traffic — one way or another, backwards or forwards, one car at a time but they do keep it moving. So, we hope despite this, your stay in Washington will be pleasant. I would also like to take a minute this morning to mention a personal view or two that I have as a new member about classification management or, as we talked earlier, about security classification management or whatever you choose to call it. These are simply personal views — not completely thought through. Perhaps you've already crossed this bridge — if so, I'm not aware of it. It may be in a form of a question or it may be simply a statement, but it is a point that I have in mind that I would at least like to allude to for a moment or two. I have several but I will just mention two, maybe three.

The first is that it is most appropriate that you've chosen to hold your conference here in Washington. Particularly in this room, the International Conference Room — not only from the pleasant atmosphere we have (although I understand that next year they're going to try and outdo us by going to Disneyland) but it brings up a point and that is: What is the Society, as a Society, doing or will it do or would like to do on the international level? There

have been a few problems on this level already that I'm vaguely aware of and then I was thinking not only of country vs. country, but organizations where they would become involved. For example, the Department of Defense with NATO, and their classification problems. I don't have answers but I'm simply raising this as a point and wonder if the Society would care to consider it — perhaps at the next seminar or perhaps in further discussions today or tomorrow. As you know, Mr. Fisher of Arms Control and Disarmament Agency is going to address this problem and perhaps his discussion will lead into some of the areas I am presently thinking of.

Next point that I would like to mention — and I think you'll agree — is that in this participation here today and tomorrow we're witnessing an evolution. An evolution we will see come to a conclusion within a few years, hopefully not too far in the future, but it's an evolution that each one of us will find rather difficult to keep up with I believe because of rapid advance of technology in the engineering and scientific fields. Our goal in this evolution, perhaps, should be and is, as far as I can determine, the uniformity in the degree of classification which we apply to information. Now, if we reach this or some degree of uniformity, perhaps we might have what you might call balance. That is, a balance that specifically identifies or associates that which is classified with that which is not.

Then this leads to the third point that I wish to mention as-

suming my supposition follows — that if we do achieve some balance then theoretically, at least, this would make additional information available not only between government agencies but between government and industry and, perhaps, on an international level of exchange. It is presumed it would make more information in the scientific and technical fields available for research and other duties or other purposes. So, hence, the scientists and engineers perhaps will have sort of a stimulation from the exchange or from the additional information which might be made available to them and, hence, I feel, something towards the advancement of mankind. I think if we do achieve this goal that we will have come a long way from a few years back. Even today we have a tendency to classify information in bulk simply because the problem or the job facing us of individually identifying that which truly deserves a level of classification is really difficult and hard to do. Volume is simply something we cannot cope with.

The last point I would like to allude to at least, concerns a current-day need — I believe it's a current-day need — and that is the exchange of data between information systems or between agencies of government or between agencies and their contracting entities or, again, perhaps, on the international level. I think that effective classification management will facilitate this exchange. Here I would like to attempt to draw something of a parallel that would put this in focus a little bit better. Again, as a young

boy at home at the age of six or seven I could remember ironing day. Ironing day in my house meant that my mother heated flat irons, as they were called, on top of a stove. To determine whether they were ready for use she simply would wet her finger and touch the iron. Well, if it sizzled from water or burning flesh it indicated the iron was hot. We've come a long way since then; we now have irons with gadgets, to read dials, or push buttons. That is an indication as to whether the iron is ready to use. The same thing, basically, applies in classification of information. We now in many agencies do the manual reading of information to make these determinations. It's not too far in the future, in fact, some agencies have already gotten to the point where there is no human intervention with information. So that either before it's put into a machine system or while it's in the system, some device, some scheme, some ideas must be put into the system that will assist us with this problem of classification of information. And I believe that this is a current-day need — it is one that this Society should and could address in the future or perhaps as individual agencies or employees you have already done so. But it is a big problem and I can cite two examples of why I think so and why it is here with us now.

One is an organization known as COSATI. Perhaps you're not quite familiar with that or aware of it or what it stands for but the initials stand for the President's Council on Scientific and Technical

Information. COSATI has two purposes really. One, to provide a clearing house among agencies for information in the scientific and technical field. Another purpose is to make available abstracts of information on inquiry by participating agencies. There's no limit here on classification — at least not stated — so that it indicates that any security classification within reason, I would assume, is considered part of the system. Here we have a problem of security classification. One which I think, again, the Society might be concerned with. Those are the four main points that I wanted to bring out to you.

#### **Durham**

We are very fortunate this afternoon to have a representative from the American Society of Industrial Security, first Vice-President of the Society, who has graciously agreed to welcome our organization on behalf of the American Society for Industrial Security. The gentlemen, I am sure most of you know, Mr. Jim Davis, Manager, Plant Security and Offices Services at the Jet Engine Plant of General Electric in Evansdale, Ohio. Jim has been with GE for approximately 11 years. Prior to that he was with the FBI for 11 years. He is a graduate of Columbia University and is National Chairman of the Industrial Security Committee, Aerospace Industries Association. He is a charter member of the American Society for Industrial Security and previous chairman of the committee for safeguarding classified information, treasurer and second

vice-president of ASIS. He has been a guest lecturer in many places in the United States on the subject of security. I feel he is well qualified to address the NCMS and it gives me great pleasure to present Mr. Jim Davis.

#### **James A. Davis**

Thank you, Mr. Durham and members and guests of the National Classification Management Society. ASIS is honored to be on this program and on its behalf I bring you its greetings. To all of you, congratulations, for the achievement of accomplishing a national seminar in less than one year of operation, and in addition the accomplishment of the publication of your first edition of your Society's journal in such rapid fashion. These accomplishments were not achieved except through the devoted hard work of a relatively few individuals. Progress towards your goals and objectives will mean increasingly hard work, not only in the area of society management and operation, but more particularly in the area of achieving functional professionalization and recognition. This double-barrelled task, associated with the earning of your daily bread, represents a significant challenge to those of your membership who will elect to become involved, and your membership must elect to become involved if you are to succeed. We in ASIS now celebrating our 10th anniversary, know only too well the arduous path from infancy to maturity and we would not claim maturity even in our 10th year. It seems to me that your

early steps have been the proper ones. I should like to describe the kinds of member involvement it has taken to get you where you are and what it may take to grow further. First, of course, was the task of determining your organizational shape and your modus operandi. Thus, you determined your by-laws, greatly resembling ours, I might add. You solicited membership and proceeded to staff your national offices and the Board of Directors. This Board of Directors has no doubt already become involved in determination of policy, designed to shape your course and will continue to be so involved as you grow. No doubt, one of the earliest policy decisions made was to create a society journal, the first edition of which you kindly sent me. This not so simple task involved determinations of general editorial policy, frequency of publication, format, size, masthead, cost and other things.

For continuation, serious professional articles must be written, received and edited by someone, and all arrangements perfected for the publication of each issue. The major consideration in membership growth is the journal, since members and potential members look to it as a service to them and they will expect a running stream of helpful and informative professional data. A problem in the area of publishing good professional articles is getting them written. A willingness to write is not necessarily coincidental with professional writing. Functional expertise in a professional field does not connote an ability to express this ex-

pertise. Thus, the translation of the immortal words of the expert into something resembling a professional article becomes another involvement by another willing member.

Then there is a business side to any professional society. Since the society must collect dues, initiation fees and other income, someone must expend society monies for society purposes, and all of this must be accounted for and reported upon. Someone must mail applications, the journal and other things and maintain a variety of records. Very likely until you reach a size when professional management will be required, a succession of members elected to office will perform these duties. ASIS quickly grew to the point where paid employees were required and then an executive director in a national office. Then to properly manage the business affairs of the ASIS, the national officers, the executive committee and the board of directors found themselves setting policy for the operation of a national business office. So, we found we must consider and make decisions of job categories, salary rates and progression, absence and vacation policy, hiring, promotion, dismissal, office hours and every other aspect involved in the management of a typical business office. This is a massive undertaking. In our experience, it represents the single most difficult, time-consuming task of all.

We in ASIS use no professionals to create and run a seminar, as I'm sure you have not. The chapter does this work, with policy guid-

ance, advice and assistance from the Board. This very vital function, which contributes so much to the society image, now attracts a daily attendance in excess of 750 people. The logistical problem posed I leave to your imagination. It is secondary only to the problem of determining the professional content and those to deliver it. There is no question in my mind as to the need for a professional approach to the classification management function. The assignment of classification to information or material triggers a sequence of events and requirements. The significance of these events and requirements will vary with the adequacy of the classification management. Sophisticated approaches will recognize the interest of the government, create understanding within using groups, and reliably forecast detailed requirements and costs. Unsophisticated approaches can result in under- and over-classification simultaneously, lack of understanding and inadequate performance by users, and an inability to properly forecast requirements. As a manager of a large security organization and a large plant, I am concerned with two basic problems: managing an organization to produce a sound, reliable, effective security program, and establishing and assuring that the security provided is necessary under the circumstances. It is the determination of these circumstances that is the essence of classification management in my opinion. Security regulations, rules, procedures and practices have only formality and sterility until the infusion of in-

formation and material requiring classification occurs. It is the task of the classification management professional to assure that this infusion is of the right degree and to the proper extent, that security is neither under- or over-nourished.

In summary, you are at the threshold of challenge — the challenge of creating and causing to grow a new society, the challenge to make this new society a professional society and the challenge to make your members true professionals. Thank you.

**Durham** I hope we can invite Mr. Davis back ten years hence and point with pride to our accomplishments.

### **Panel—Industry Looks At Classification Management**

#### **Durham**

Our first real audience participation will occur this afternoon, and I emphasize audience participation. It is now that we get down to the meat of classification management. Those of you who have attended the ASIS seminars remember that for two seminars, the 9th and the 10th, you heard government views on classification management per se. Now, I think it's time to let industry have its say and to debate the problem on the floor with the panelists. I am personally very, very pleased to thank Dick Healy, Corporate Security Officer of Aerospace Corporation, for the strong support he personally has given me in making possible this first National Seminar. Dick is

well known in the field of industrial security; he is a former employee of the FBI and the third president of the ASIS. So, without further ado, Dick Healy.

**Richard Healy**

Thank you, Dick, members and guests. I was reminded of a little story as I sat and reviewed the morning's proceedings. It centers around a 6-year old boy who had in 6 years not uttered a word. He was unable to talk. His family had done everything apparently possible — they had taken him to psychiatrists and internists; they had sent him to the best clinics and hospitals in the land and none could find anything wrong with the youngster. Still at 6 years old he would not talk. One night at dinner, out of a clear blue sky, he suddenly pushed his plate aside and said, "That's slop." His family couldn't believe their ears and his father said to the mother, "Did you hear what he said? He spoke." And they had quite a discussion about this. Finally it occurred to them that maybe they should ask the youngster what had happened. So the father turned to the youngster and said, "What happened that you are able to speak," and the boy said, "Well up to now, everything's been okay."

I believe our meeting this far has certainly been okay, and I hope our portion of the program this afternoon will continue the level that has already been established this morning. We're going to change the format a little from the ordinary type of workshop or seminar, and we're going to ask

your participation. Each of the panelists will spend perhaps ten minutes discussing the problem from his particular viewpoint and then we will open the discussion to questions and discussion from the floor. We would like to make this as informal as possible.

I would like to set the tone of the discussion this afternoon by outlining two things I think are necessary from the standpoint of industry, if the classification program is to be successful. First, it seems to the panel members that industry must participate actively in the classification program if it is to be successful, and must work with the various government agencies very closely. The second thing that we think is important is that classificationists join with the project engineers in the technical areas and get their participation and certainly their help, because classification is really based in the projects, and those of us in the classification and security area cannot be familiar enough with them to take the responsibility. A side issue, and probably one that is equally important as the participation of the project engineer, is the complete support and backing of top management in companies. We feel that without these basics the classification program from the standpoint of industry will not work very well. We feel that our society will be successful in helping the first that I mentioned, the participation of industry with the government in the classification program. The second, the participation of the project people as well as top management, may be a little

more difficult, and this may motivate some discussion this afternoon in terms of what we might do to best activate this participation.

Without further ado, I'd like to introduce the first panelist, John Mackey, who is Manager of Security Visitor Service at the General Electric Large Engine Dept. in Cincinnati, Ohio. John will represent the viewpoint of an industrial organization primarily involved in DoD contracts. By way of background, John is Chairman of the Safeguarding Classified Information Committee for the American Society for Industrial Security. He was previously special agent in charge of the Cincinnati Security Office of the State Dept. He was in Army CIC during WW2, and is a graduate of Xavier Univ. in Cincinnati with an AB degree in English. I would like to present John Mackey.

**John B. Mackey**

Since this group is concerned with classification management, I want to try out for your consideration some ideas that touch on the related item of security requirements check lists, because I think you will agree that this is where many of our problems center. In addition to being involved in classification work at GE, I am, as Dick said, also Chairman of the SCI Committee of the ASIS, and as I get around and listen to the problems of people in security and industry, I find that one of the foremost is how to classify properly. I am sure that this comes as no great surprise to most of you on the DoD side, but it gives rise to

such related questions as, "How much use to the contractor is a security requirements check list in its present format?" Or, "How can the checklist be used in a practical way to determine what is or isn't classified?" Perhaps one of the more puzzling questions is, "How much leeway does a contractor have in making his own interpretations of checklist items without going back to DoD for approval of these interpretations?" I hope you will consider my following brief remarks as premised on such questions as these. I think that maybe some of you will find cause for rebuttal and that maybe you have your own set ideas, but, as Dick said, we urge you to speak out in the panel discussion which follows, because, after all, we're deliberately trying to stimulate ideas which can be shared with others, and I'm sure you will have some.

For our AEC friends, I think we should define the security requirements check list as the classification guide that DoD uses to notify the contractor of the security content of his particular contract. The very nature and format of this checklist form poses interpretation problems. There are many gray areas; you very seldom see things that are black or white. There are built-in interpretation problems which need development. For instance, one of the items that you will find is design information and usually you will find a little check mark which says it's either confidential or secret. Or, you will find that schedules are confidential or reliability is confidential. Well, what does this



mean to the average person? It means many things to many persons. You usually can't get a true idea of what to classify in your own shop.

I think we will have to concede that the originator of this checklist, who is usually at the procuring contracting officer level, is rarely in a position to be specific because he doesn't know the items or he can't anticipate all of the sensitive details that go into the making of your end item in your own shop. In most cases, he has to be very general in what he tells you needs classification. Parenthetically, I might inject that sometimes we wish that there could be more specifics involved; I think there is room for them in our checklists. Nevertheless, the contractor and his personnel are probably in the best position to determine what is or isn't classified. But, the question becomes how and when he can enter the picture, for, if you recall the Industrial Security Regulations, the contractor is not supposed to determine what is classified and what isn't classified. He can only "apply classification" to "guidance received" and sometimes that guidance is extremely vague. Now, understand I'm not advocating that the government bow out of the control of classification — far from it. But I feel that the role the contractor can play in the system should be more officially recognized by the government and factored more into the system. If this were done by the government and the contractor alike, I think we would get more mileage out of

our checklist. I say "officially recognized" because the contractor in many ways at the present time is being unofficially permitted to determine what is classified and what isn't classified about his own end item.

How this can be done officially, where and how it can get into the system is a leading question and I think perhaps maybe we can get some ideas this afternoon from some of you. To fill this void in which we do not have any specific guidance, we of GE in Cincinnati, and I'm sure that many of you here in the room today, have our own system by which we supply our own classification guides. We take the checklist, break it down into what we think should or shouldn't be classified, go back to the contracting officer to get his approval of our interpretations, and then publish it for the use of all hands. This is after the fact; it's time-consuming; it probably is not the best way it can be done, but at least we're doing something to get real specific guidance to our own troops, in our plant. And, I think that by this method and by similar ones which others use, we are, shall we say, unofficially accomplishing precisely what the DoD's classification management program wants to accomplish, only it presumably wants to accomplish it within DoD and by DoD's personnel.

I say this because, and I am subject to correction on this, in DoD Instruction 5210.47, we read that the classification guide shall be issued by a DoD classifying authority for each project, and further

that the official charged with the development of the program is responsible for classification guidance, showing what level of classification is to be applied to identified items of information or materials. In almost every case, however, the document which we would think the medium to give us this material is so very general and so devoid of specifics that it is not very useful. As I mentioned before, we don't see how it could be otherwise because the gentleman making up the checklist is hardly in a position to know the specifics in the first place. Therefore, contractor personnel have to step into the breach someplace along the line and do something more than just apply classification. They have to develop in some way their own guidance if they want to do a realistic job of applying classification in their own plant.

I once assumed that it was routine for contractors to take the checklist and make their own guidelists from it, but as I began to inquire around industry and particularly from some feedback I get from within DoD, I have begun to realize what confusion there is within industry and what lack of uniformity and even timidity there is in actually applying classification, and even on the part of contractors in taking the initiative to apply security in a practical way. Now, I would presume, as I said before, that many of you in this room have your own system working routinely. Maybe this is old hat to you, and maybe you have some easy solutions on these problems which you're just itching to

reveal. If so, we would welcome any contradictions or elaborations that you care to give, with the understanding that these are some of the background thoughts making the rounds of industry today that need clarification.

**Healy** Thank you, John. We will delay the discussion until all of the panel participants are through. The next panelist is James Marsh, who is Supervisor of the Classification Division at Sandia Corporation of Albuquerque, where he has occupied this job for 14 years. He will take the viewpoint of an AEC contractor and speak in these terms. Jim taught at the New Mexico Military Institute at Roswell in Economics before going to work for the Sandia Corp. and part of that time he was employed by Remington Rand in the Sales Dept. He graduated from the Univ. of Texas with a BA degree in Industrial Management and received his master's degree in Economics at the Univ. of Colorado.

**James G. Marsh**

Dick, without being pickey, I can't say that I've been involved as Supervisor of Classification for 14 years, because that isn't quite the case. But, I am pleased to be here this afternoon. It is real tough following such interesting speakers as we have had up to now. But, perhaps a story which may or may not be relevant will help. It's about the employee who was having some problems with his management because he had repeatedly refused to

join the company's new health-care plan, and as the plan required that the company in question get 100%, he was their last and only hold-out. He bounced from one level of supervision right on up, each time saying that it was fine for everybody else, but he just didn't want any part of it. Finally, at long last, he came face to face with the president, and the president said, "Well now, John, I have 2 pieces of paper. In this hand I have a copy of the policy for you to sign. In the other hand, I have a letter of resignation." John replied, "Fine boss, give me the policy and I will be glad to sign." The president said, "John, what's all the fuss — what's the problem?" He said, "Well, the way it was up till now, no one ever explained the real benefits of the program."

I think that maybe that's the way it is in this business. Maybe someone has to explain the real benefits. I'd like to add my vote of thanks to Dick Durham and the rest of you all that have worked so hard on putting on this symposium or seminar. I think it is certainly a tremendous step. These things don't come easily and after the two days that we plan to spend here I am sure that all of us will look back on it with quite a bit of pride as a great accomplishment. I mentioned this earlier, at the classification symposium in March, in Germantown. That too was the first of its kind and many of you were there. Those of us who attended that meeting and are attending this one are convinced that meetings like this are desirable for communication. This is

true, even though the kind of work that you're doing and the kind of work that I'm doing may be entirely different technically, and our work environments may be very dissimilar. The basic problems are still the same, and the knowledge that there are other people in other agencies having the same or similar problems will lead, I think, inevitably to useful exchange of information, and perhaps even to an ultimate solution. At least that is one comfort. You are not alone in your dilemma. I think that AEC in holding the previous symposium did demonstrate that there is a classification community. Regular communication among classification management people is essential.

And the communications we are having now by means of our society journal must, of course, be continued. You have all observed the growing interdependence of the technologies with which various ones of us are concerned. For instance, at Sandia our prime interest is the design of nuclear weapons. With the changing emphasis on weapons, we find we often are concerned with classifications way out of the sphere of nuclear weapons. For example, we must be concerned with the things that are within the province of the Department of Defense, such as the missile carrier, the aircraft or whatever. This, to me, suggests that we must necessarily be communicating better with each other in areas of mutual interest. And we must also be aware of the things you do in the DoD that we are not familiar with in the AEC.

Thus, I feel that we must accept the basic proposition that we communicate with each other about the business of classification management regularly and this, in turn, will enable us to a better job. The more we can do to encourage meetings, contributing to the journal, participating in inter-organizational communications, the sooner we are going to build a true classification community and the more we will profit individually in a conventional sense.

Now, I would like to talk briefly about Sandia as many of you may not be familiar with it. We are sort of in the hinterland. Sandia is a prime contractor to the AEC located in Albuquerque, New Mexico. It operates two laboratories, one of which is in Albuquerque and the other one in Livermore, California. I won't get into an argument over which is the head office because I would probably run into a discussion with my old friend Dick Durham on that. But we also operate test ranges at Tonopah. Our job is to design strategic and tactical weapons which are built around the explosive systems designed at Los Alamos Scientific Laboratory and the Lawrence Radiation Laboratory. To put it more simply, Sandia's job is research and development on non-nuclear portions of nuclear weapons. Part of our activities include manufacturing, engineering, quality assurance and military liaison training. The Corporation was organized in 1949 as a subsidiary of Western Electric (of course, part of the Bell Telephone System) and operates for the AEC on a

non-profit, fixed-fee basis.

For you who don't know much about Albuquerque, the word Sandia sounds a little funny. It is derived from the mountain range which is immediately east of the laboratory. Sandia in Spanish means watermelon. In the early days when the Spanish settlers were entering the Rio Grande Valley, they saw the glow of the sun reflecting from the mountains and this gave a nice pinkish color, hence, the term Sandia. The name has stuck with Sandia Base, Sandia Corporation, and so on.

As I previously mentioned, Sandia works with both the Los Alamos and Lawrence Radiation laboratories in weaponizing the design of nuclear systems. The Livermore Laboratory was established expressly for the purpose of supporting the work at Lawrence Radiation Laboratory. Los Alamos, of course, is only 65 air miles from Albuquerque and communications do not present much of a problem. We work very closely with other members of the AEC family: such as Rocky Flats, operated by Dow; Mound Laboratory operated by Monsanto Chemical; Bendix Corporation in Kansas City; ACF Industries also in Albuquerque; General Electric both at Hanford (although it is phasing out at the present time) and St. Petersburg, Florida; and the Y-12 Plant operated by Union Carbide at Oak Ridge.

Perhaps our biggest interface is with our landlord in Albuquerque because we are really tenants of Sandia Base which is run by the

Field Command of the Defense Atomic Support Agency and through Field Command we derive, among other things, military requirements for weapons. Then, in addition, we work directly with specific agencies in the Department of Defense. Among these are the Ballistic Systems Division (and I think that those of you involved with this are aware that there is at present a joint working committee composed of DoD and AEC folks) the Air Force Special Weapons Command, which among other places operates out of Kirtland Air Force Base adjacent to Sandia; Advance Projects Research Agency, and so on.

Now a little bit about personnel. The Corporation employs about 8,000 people. Some 2,000 of these are scientists and engineers and with that force we maintain the installations I previously mentioned. In addition, we have a globe-trotting organization which maintains liaison with the Departments of the Armed Forces and also technical liaison with all military establishments throughout the world.

Recently, Sandia was regarded only as a weapon laboratory, which, of course, it was for quite some time. However, now our mission is changing, and I think it is interesting to note this. We are getting into lots of other areas besides strictly weapons business. Early in the game in the classification business pursuant to the Atomic Energy Acts of 1946 and 1954 the weapons systems were highly classified. Everything was Secret Restricted Data and I think a lot of people have the impression

that it still is. This is true to a large degree, but recently we have gotten into other areas and we have been able to use classifications other than secret. We have been able to use Formerly Restricted Data, which in some sense is equivalent to Defense Information and which is a little bit more on equal footing with our friends from DoD. And we are now in non-weapons programs such as aerospace nuclear safety, the satellite program and the lunar program with the National Aeronautics and Space Administration. We work with Joint Task Force 8 and with JTF-2. We were happy to have some folks, including Commander Richardson, out our way last week to talk about the joint drop test missile firing program. But the thing that runs throughout this is the fact that there is no such thing as an AEC establishment and a DoD establishment, because interfaces are such that you cannot separate one from the other. It makes the classification job more complicated but I think also more interesting.

Just a brief word about our internal structure. The division which I head is part of Technical Information and has a normal complement of about 7 or 8. The members of the division are members of the technical staff. The classification policy of the Corporation is made by the Sandia Classification Board which is chaired by R. W. Henderson, Vice President for Weapons, and is composed of directors of the technical groups. Our division works in staff capacity to Mr. Henderson and the

Classification Board. Of course, ultimately when we speak in terms of policy, I think one recognizes that AEC contractors all are responsible to their individual Operations Offices and ultimately to the Division of Classification, Germantown, and the Atomic Energy Commission. You all are familiar with the Joint US-UK Weapons Guide CG-W-1.

I won't go any further into the details of our operations but I would hope that during the question period we could get into some of the things that are alike and unlike about both the DoD side of the fence and the AEC side of the fence.

**Healy** Jim, thank you very much. Last but not least is the man who has already established himself before us this morning by his eloquence and his erudite discussion of the organization as Chairman of the Board. And for those of you who did not have the benefit of that presentation and may have come this afternoon, our next speaker is the new president of the National Classification Management Society, Donald Woodbridge. He is a graduate of Amherst College with an AB degree in 1927; he did graduate work in physics at Columbia University. He has taught physics and math at the College of Charleston, South Carolina; he has taught physics at Brooklyn College at Brooklyn, New York. He has had a variety of technical jobs at Oak Ridge as a research development engineer and head of the Mechanical Development Department. At the

Y-12 plant at Oak Ridge from 1956 to date, he has held the following positions: Development Engineer; Assistant Superintendent, Special Projects Department; Plant Classification Officer; and Responsible Reviewer. He is a member of the American Physical Society, the American Association of Physics Teachers, and has been honored by membership in Phi Beta Kappa and Sigma Xi. It is with a great deal of pleasure that I present our final speaker, Donald B. Woodbridge.

#### **Donald B. Woodbridge**

I didn't come armed with an opening joke but after listening to Dick, I have to tell you one that belongs in the same category as his. It is a story about a psychology class in Harvard or some equally famous university. At one point in the course the professor made a habit of calling on his pet moron and running him through a test. He'd get Willie out and say, "Now Willie, here I have a dime and here I have a nickel. Which one do you want?" Well Willie always took the nickel and the professor would say, "You see he does not really understand the value. All he sees here is the relative size of these two pieces." Well, there was a visitor in the class on one particular occasion and he was a little suspicious, so that after the class he managed to find the moron off in another room somewhere and said, "Now, Willie, tell me as man to man, why did you take the nickel?" And Willie said, "As man to man, if I didn't they would stop the experiment."

First off, I want to apologize for appearing twice on the program in the same day. The people who set up the seminar originally thought that once would be quite enough. You were supposed to have the pleasure of hearing my colleague from Oak Ridge, Bob Dreyer; but events caught up with Bob — one event in particular, Family Day at the Y-12 Plant. Family Day, I might say, is another historic event for us. This weekend is to be the first time anyone has ever been admitted to our plant without the customary badge. Wives and children will be let in to see where Daddy works. Daddy will never be quite as mysterious again.

The Nuclear Division of Union Carbide Corporation operates three plants at Oak Ridge for the Atomic Energy Commission. There is the gaseous-diffusion plant whose initials ORGDIP people keep trying to convert to an acronym so that they come out sounding like something you might serve at a particularly lively cocktail party — ORGDIP. Then there is the Oak Ridge National Laboratory with whose initials people don't play games. Note that ORNL is a national laboratory — like Argonne and Brookhaven — very dignified and world famous. I am sure they will take me to task, if I don't make it clear that though they started out back in 1943 as a pilot plant for making plutonium — a unit of the Clinton Engineer Works known by the cryptic designation X-10 — they have long since transcended the status of a mere plant to become one of the world's fore-

most contributors to nuclear science in all its ramifications.

Finally, there is the Y-12 Plant, where I work. Although X-10 became The Oak Ridge National Laboratory and the diffusion plant changed from K-25 to the Oak Ridge Gaseous Diffusion Plant — ORGDIP — nobody has been able to do anything about our old war-time designator Y-12. Maybe that's appropriate. The Commission is very circumspect in what they release about Y-12. Official statements seldom go beyond remarks like:

"The Y-12 Plant is a major chemical and metallurgical processing plant which carries out production and development operations vital to the nation's nuclear energy program.

"Major production operations include the reduction of uranium hexafluoride, enriched in U-235, to metal; the casting, rolling, forming and machining of enriched uranium metal into various components, including reactor fuel elements and nuclear weapons parts; and the design and fabrication of various special research and development items, such as radiation shields, instruments, cyclotron parts and reactor components which are difficult to obtain from other sources. Y-12 also has the capability for large-scale separation of lithium isotopes.

"Considerable development work on materials for use in weapons and for peaceful use for nuclear explosives is undertaken at Y-12.

"The plant also has assisted in the development and pilot production of reactor fuels, particularly

for the nuclear rocket program."

Not very illuminating, is it? Some people think even that is going too far. You can see it's pretty hard to get a name for a plant out of such a description.

I should also mention that the Nuclear Division operates a second gaseous-diffusion plant in Paducah, Kentucky. Their classification problems are essentially the same as those of ORGDP, although Paducah's chief commodity is depleted uranium instead of enriched. Incidentally, depleted uranium is much cheaper than most people think and there is an awful lot of it around for anyone who wants a highly dense and reasonably strong material. It's fine for radiation shields, stable platforms — and paperweights.

When industry looks at classification through the eyes of Carbide's Nuclear Division, the view is a curious one. Our operations are industrial in the sense that we use industrial methods and produce on an industrial scale, but our plants are captive—they belong to the AEC and not to Carbide—and our research, development, and production are not for profit; their one aim is to satisfy a single, very exacting customer—the Government of the United States. You might quarrel with me when I say one aim and a single customer, citing the vast multiplicity of requirements we have to meet and the diversity of individuals and installations that generate purchase orders for us to fill, but in the final analysis it is the government that owns, the government that orders and—last

but not least — the government that pays. The extent of our dependence has been made all too painfully clear by the recent curtailment in weapons production. There is nothing like a cutback to show a captive plant its place in the scheme of things.

The AEC makes the rules for production and likewise it makes the rules for classification. Of course, the Commission gets plenty of help (if "help" is the right word) from other departments of the Government — notably the DOD—in devising these rules, but in classification it has an enormous head start. I am sure you are all familiar with the famous dictum arising out of the Atomic Energy Act that in the world of the AEC all information is *born classified*. Two words pregnant with power and potency. They give the professional classificationist unanswerable authority.

In a world where people are born hungry we have Departments of Agriculture to see that they are properly fed—we might say, defamished; in a world whose creatures are born belligerent we have Departments of Justice to guide their correction — to denature them. And so where all data are born restricted we must have a Division of Classification to see that information gets declassified or made available. Congress recognized this clearly in framing the Act by making it mandatory for the Commission to strive for declassification to promote progress and achievement. People overlook all that the Commission has accomplished under this mandate



through the administration of its Division of Classification in bringing the atomic energy program out from under complete wartime secrecy to today's confident sharing of all our discoveries with the world except in the field of military application. People overlook it because few of them ever really grasp what it means to be *born* classified, because they think it only proper that science should be untrammelled, and because it is human nature to resent and remember restrictions while failing to value freedom.

I might pause here a moment. I want to talk about wartime secrecy. The subject came up when I was having lunch with Tim Harrow and he was recalling the strange stories about what was going on in the Manhattan project and how well within the areas the information was kept secret. I remember one in particular that tickled me — told to me by the chemist who ran the works laboratory at ORGDP. One of his technicians came to him one day in great distress and she said, "Mr. Snyder, I just can't stay here and work at this plant anymore. I have got to leave." He said, "Why? What is the matter?" She said "I have discovered what it is you are doing here." "Well," said Saul, "what is it?" "Why," she said, "you are processing blood. How do I know? Because all around I see these signs saying 'bleeder valves.'"

Oak Ridge is an excellent vantage point from which to scan the range of classification. From my office in the wooden wartime relic

that still houses the Y-12 administration I can look across to a large factory-like red tile building where the Biology Division of the Oak Ridge National Laboratory operates with, as far as I know, never a thought of classification. The biologists are outside our security fence, and strangers can enter their domain without ever encountering a guard. Elsewhere in ORNL there are a few classified activities, but when you realize that all fundamental research, the great bulk of their isotopes work, and all civilian reactor work have been declassified, you can see that classification does not bother them too much. The chief problems come when their activities have to mesh with ours at Y-12. Let's say they have a small pilot plant for turning out a new declassified material known as pandemonium, which is just what reactor engineers have been looking for to increase the efficiency of breeder reactors; and let us suppose further that a certain Dr. Helmut Schlozzknocker in New Mexico, after usurping a couple of days of valuable computer time, has come to the conclusion that pandemonium is exactly what he needs to make a success of the next device he wants to test in Nevada. Of course, the best place to get pandemonium fabricated is Y-12 (if you don't believe it, just look at the documents Bob Dreyer has been turning out to let other government agencies know what we can do); and right away ORNL has a security and classification problem they did not ask for and would much rather not have. For-

unately, they have not forgotten the rules of the game, but an interface like this can provide some excitement in the plant classification office.

Over at ORGDP they still have lots of classification, as I was reminded recently when I reviewed the 54 pages of the latest diffusion-plant guide they are about to present for AEC approval; but for a long time the basic facts of what they do and how they do it have been well known. They still jealously guard vital tricks of the trade and they won't tell you how much uranium they turn out, although the assay is no longer a secret. You can study photographs of the place, like the one I showed you, take a look at figures on ore production, and so on, and come up with a guess. ORGDP will neither confirm nor deny it. Some people wonder why, after all that has been said about our weapons stockpile, there is any need to protect uranium production rates. On the other hand, no one has confirmed or denied the stockpile figures. I think I may say that ORGDP has made its peace with classification in principle, if not in every detail. Like the diffusion process itself, classification of diffusion information has reached a steady state—an equilibrium that its victims have finally adjusted to.

The steady state is possible if you have a routine process and a uniform product, if you keep on doing the same things in the same way, and if the only business you have to mind is your own. At Y-12 none of these conditions prevail. As new ideas are generated out

west, we have to respond, to adapt, to devise new methods. More than that, we try to anticipate. Since Dr. Schlozzknocker, or one of his colleagues, might be expected to want parts made of pandemonium, we start working on it—casting it, pressing it, working and welding it, whatever it takes. And then it turns out that almost anything our people want to do is classified—born classified. Somehow we have to find a way to keep born classified from being equivalent to stillborn.

Fortunately, most jobs can be done in-house. That, of course, is why places like Y-12 are there—to be ready to do the classified work, the supersensitive work, in windowless buildings within a perimeter of cyclone fence. Indeed, the engineers and production people won't admit there is anything they can't do if you give them the time and the money; and they'll agree to cut delivery time in half, if you put no restrictions on money. But we have to recognize that, as often as not, time and money are not there. Test schedules planned a half year ago become sacrosanct—they are edicts from higher authority, not to be questioned or flouted. The designers are on a budget, too. And it must be admitted that occasionally, in spite of the vast reservoir of technical skills and unique capabilities that we are in the habit of proclaiming—occasionally there are things that somebody else can do a little better, a little more quickly, or a little more cheaply. That is where some of the worst classification headaches begin.

Knowing that somebody outside the fence has the solution to your problem, how do you deal with him expeditiously and unprovocatively? We labor under what might be called the curse of supersensitivity.

I hope these introductory remarks give you some impression of classification in a captive AEC installation. You may question whether it is industry looking at classification or prisoners looking out between the bars. Seriously speaking, I ought perhaps to remind you that we are enjoined from thinking of ourselves as industry. In the eyes of the rest of industry we are government; and in all our activities there arises the question whether we are undertaking work that can or should be turned over to what we ourselves call "industry." I have spoken in terms of Union Carbide and Y-12, but my words can, I am sure be readily translated to other AEC production plants such as ACF Industries in Albuquerque, Bendix in Kansas City, or Dow Chemical in Rocky Flats. Agencies like the Sandia Corporation have other peculiar problems, and I am sure that these discussions this afternoon will uncover and emphasize some fundamental differences in practice and approach between the Atomic Energy Commission and other departments of government. But I hope to find that in the end we are not as far apart as we may think we are.

**Healy** Don, thank you very much. I would like to call for questions from the floor, or comments to

further expand the discussion or to clarify any points that were brought up. Could I ask for anyone at this time who would like to raise a question or discuss anything from the floor.

**C. Donald Garrett, OASD** Mr. Mackey do you have any specific proposals to make as to the manner in which industry might take part in classification determination—either at the contract negotiation stage or during performance?

**Mackey** I can think of several. One that strikes me is that if in some way at the negotiation table it could be made mandatory or at least encouraged that the contractor come in with his ideas of what he thinks should be classified, we could get a more realistic jump on what is to be classified. After all, we are sitting down there waiting for a security requirements checklist to come down to us.

Wouldn't it be better if we could go to the negotiation table with our ideas and with a meeting of the minds, write up a checklist at that particular point? I know that the procuring contracting officer may have, when he sends in his request for proposals, already made out a checklist, but it is necessarily rather vague, and the final one is usually the same way. If we could go ahead and get the contractor more into the ball park with this, I think it would be better for everyone. I understand that several years ago there was a plan for DoD, just before the contract was signed, to send the se-

curity requirements checklist to the contractor through channels. He was to get his crack at it and get his recommendations in before the contract was signed. His interpretation would become part of the contract. I don't know whatever became of that scheme, but I would like to encourage something along those lines.

**Leo J. Hodges, AFSC Headquarters** I think there is a requirement in current Air Force Regulations which requires the Air Force to do just that, that is, to coordinate the 254 with the prime contractor before the contract is let.

**Mackey.** That may be the idealist way of how it is to be done, but I assure you from practical experience that that isn't the way it is done. Is there anyone who can back me up on that?

**Healy.** Would you give your name and company please?

**Harry C. Loudenslager, Battelle Memorial Institute** We are having the same experience. Nobody says anything to us until we see the 254, and if we don't like what we see, we are talking after the fact.

I come well armed on that particular subject from practical experience and not just my practical experience, but from a number of negotiators who have gone through this. They tell me that they come to the negotiation table in the midst of a panic. Everybody wants everything done in a hurry and security is shunted off some place

to the side. The contractor doesn't want to upset the apple cart and beat himself out of a contract. So he accepts what is there and as a result, he probably gets a very incomplete, unsatisfactory checklist which he has to wrestle with for the rest of the term of the contract.

**Healy** I think the Navy has a comment. Commander would you like to speak up?

**Dean C. Richardson, Bureau of Naval Weapons** Thank you. I am Dean Richardson and I occupy a very fortunate position in that I am able, as a single point contact for all Bureau of Naval Weapons contracts, to make determinations of this nature. I don't intend to say that everybody should do it the way we do, but I will give you some ideas that I think will be useful to everybody here. I feel very strongly about the DD254 and about its use and I think it's a very good instrument. It's a very good instrument if it's participated in by both sides. In the Navy we have this participation by both sides. The Industrial Security Manual the other or if you want to read the Industrial Security Manual the other way, it allows it. If you come in and decide that there's something on the checklist that you don't understand, it's incumbent upon you to ask us to give you guidance, because we have signed an agreement with you saying that we'll give you the guidance. Now, I'm not saying that you don't do this, Mr. Mackey, but I am saying that

it is incumbent on all, on both sides, to agree on security. When we go into a contract, if it's a research and development contract, you necessarily have to be fairly broad and general at the outset. So we go in with a team effort. I believe very sincerely in this team effort between the technician, the project officer and the security specialist. We come up with what we consider to be the best team effort at that point. Then when you get into a production stage, or when you get into the contract further, we welcome and we have communication with most of our production contractors. We've had voluminous correspondence from people like McDonnell, Aerojet, just about any and all of them, and an eight to fifteen page checklist is not uncommon in our organization. We think this is the only way to do it—to be specific when you can be specific and we invite it. Comments?

**Healy** Don, did you have something to add?

**Garrett** Construction is vital whether or not there's security involved in the contract and the extent of it. It can always make a big difference in the agreed-upon figure for which work is done; so that it would seem pretty important to have this discussion, this meeting of the minds at a very early stage.

**Peter J. Moglia, Hughes Aircraft Company** The only comment that I would like to make on this, is that I've experienced the problems over

the years as Mr. Mackey has — I think that the largest problem we have on this security requirement checklist is a matter of semantics and communication and interpretation.

From previous contracts that I worked on with the Ballistics Systems Division, or the Ballistics Missile Division, I have found in talking to the scientific and engineering people on both sides, that there is a diversity of opinions as to exactly what a particular phrase means. I'm sorry to say that over a period of five years in one situation, I was never really personally satisfied as to interpretation. What I would like to see is that someday we issue a dictionary and this dictionary have in it definitions of exactly what the military agencies are saying when they say, "signature characteristics," "end item," — these types of things.

**Durham** Commander Richardson is well aware of this. So are some other people in the room. On the Nassau Sales Agreement between the British Government and the U.S. Government on Polaris a meeting was held for two days at Lockheed's Missile Reentry Systems area. Representatives from Bu Weps (Navy), the AEC, contractors, and the UK, were in attendance. For two days nothing moved forward because of semantic problems in the area of classification as to what is a nuclear warhead.

**Healy** I think the problem of communication and semantics, if you will, in the field, is one of the

first things that a group of classification people should tackle. Get a uniform vocabulary, and then some of our problems will tend to diminish. I won't say they'll go away, I'm not that optimistic.

Did you have another point?

**(Speaker Unknown.)** Only in the matter of interpretation of the words. You see if you're dealing with the Navy it means one thing; if you're dealing with the Air Force, another. Over a period of time you will find, for example, in revised checklists that the PCO who originally started out, has been assigned to a new project. The new PCO will look at what his predecessor did, and he may turn out the same thing, or come out with an entirely different checklist. I use as an example (and not to pick on the Navy), some checklists where we have gone in and asked for updating because they have not been updated since 1961. And this is 1965, so it's four years. I find now that the entire project has been increased in security let's say 1000%; yet the Navy never told us about it until we asked them. So we have a peculiar problem — what do we do with the material we have generated over the past four years? Do we go back and upgrade it? Just exactly what do we do?

**Healy** Don't look at me when you ask that.

I believe there was another question up in the audience here; I saw a hand a while ago. Is it Elmer Yost?

**Elmer C. Yost, Air Force Systems**

**Command** Yes. I would simply raise a question for the contractors from what we've heard. We've heard the other side that when contracts are negotiated, the contracts are signed and well on their way before the security people ever know what's going on about them. I have been hearing the point raised of pre-negotiation and pre-discussion and whatnot. I would just like to know for my own information, in the contractors' plans do the security people actually get in on the negotiation of the contract?

**Healy** Is there anybody who wants to comment on that? Lorry McConnell from the System Development Company.

**Lorimer F. McConnell, System Development Corp.** I'd just like to comment that we have worked out a very successful arrangement on our Air Force contracts, at least, whereby we propose the 254 when we meet at the proposal stage. We offer what we think might be reasonable guidelines. We can do this best on follow-on contracts where we have some experience. We're less able to do it on initial contracts, but we have started doing this in self-defense because we share the experience of the others here in finding that the 254 comes in after the contractors are well on their way. Then we've got a flock of documents and technical people on the job doing it. So this is one way, and I think the two-way street is very necessary. I don't think the Government can always sit down

and tell you how to classify—they don't know all the details of your operation. An initial proposed set of rules, at least, gets the ball rolling and then there can be discussion, modifications and so forth.

**Healy** Thank you. John Mackey?

**Mackey** I'd like to add to that. I think that the contractor has his house to get in order, much as you say. We've got to jump in on our own initiative here and when the time comes for a request for proposal, get our recommendations in at that particular time. Otherwise we miss the boat. I know that we're trying this in our shop, working more with our negotiators and with our contractors—I mean our contracts people—to see if we can't give them a little advice and counsel on which way to go when they get into the negotiations; and I think it's going to work out much better.

**Healy** Lt. Col. Wilkie of Patrick Air Force Base, has a comment.

**Francis E. Wilkie, Eastern Test Range**

The best way to solve this problem is for the procurement agencies to request that the contractors submit proposed classification guides. I believe that some of the procurement agencies are already willing to do this, such as Ballistics Systems Division and perhaps Space Systems Division, but this needs to be expanded. I think it's not possible in all types of contracts, but in a goodly number it is.

**Healy** We started the panel dis-

cussion with the need for industry to more closely be allied with the government and the classification program and we admit at least there is a problem. What the solution may be is too complicated to solve this afternoon. I think I'll allow one more comment from Major Correia from Ballistics Systems Division at Norton Air Force Base and then we'll try to go to another subject.

**Antonio A. Correia, Air Force Systems Command** Yes, we have this requirement and our most recent proposal that we got in from five contractors on the Cress Program which is a completely new re-entry vehicle concept program, (one which Mr. Marsh passed over very quickly). We started out with a Mark 12 re-entry vehicle guide and thought we had the definitions covered after the first meeting. After the fourth meeting we were still getting definitions in to be sure that we defined what signature characteristics were and some of the other things that Pete Moglia from Hughes brought out. Now, on Commander Richardson's comment or Mr. Yost's comment, we have a procurement directive within the headquarters, and we were able to sell this, that no classified contract be issued or funded dollarwise by the procurement committee unless the 254 has been reviewed and coordinated with the security office. Unfortunately, there are too many agencies who don't have a security capability such as evidently Commander Richardson has in his office, and as we have in

BSD and SSD. This is a problem. The procurement officer is not competent to analyze security requirements, and as a result, the 254 comes out stereotyped from the last procurement or without good clear classification guidance for the contractor. We are asking contractors to give us recommendations and you would be surprised at the results. On the Cress Program we got five 254's and they were at variance even against 254's we had submitted. So, you get Lockheed thinking one way, the Boeing Company thinking another way, AVCO thinking one way, and GE thinking another. It all depends upon the engineers who are looking at it and what they think according to the technology and the state of the art as they have a knowledge. So, we go back and forth on 254's constantly with all of the contractors we are involved with. We have to look to the contractors for guidance and we use it all the time, but this is a two-way street. One of the points which Mr. MacClain has got to get into is that there is a requirement—he probably is working on this—that security classification has got to be made known to procurement people. It's not sufficiently clear in the procurement directives right now that security classification has to be included. The first step, I think, is the classification directive and I'm sure there's more probably coming along.

**Healy** At the risk of stymying the interest in this particular question, I'd like to go on to something else and if we have time we might

come back to discuss this. Is there any other subject or any other question that anyone else would like to raise at this time from the audience that should be discussed? Pete Moglia again from Hughes. **Moglia** I hope this isn't more along the same line but just from a general information standpoint over the years, I'm asking a question here of the people on the military side. I have my opinion that classification in many instances is very arbitrary and I'm wondering if there is any manual we can go to. Is there anywhere we can go just to get information—information as to the procedures a procurement activity takes to establish what is and what is not classified—is there an exchange within the user agencies of what is and what isn't classified so we can have some consistency?

**Healy** Would any of the military agencies—George MacClain, Department of Defense, will you come in on this?

**MacClain** I know what I am about to say will sound theoretical. As I see it, if you find a person who cannot explain his classification decision, he hasn't got a reason worth explaining. That's a pretty tough statement—what I mean is, that in breaking down the specific information that is said to require classification into its relationship to the need for protection, the right classification just ought to come out. It has with us. We'll get people around the table and probe their approach to a problem and keep pushing the thing back until



finally we find out precisely what it is that we're going to protect and why. If there isn't a good why, I would say it shouldn't be classified. Now, I would like to know, if I may, what is an example of an arbitrary decision that you can think of?

**Moglia** My question wasn't really meant to be a loaded question, although perhaps it sounded that way. I could think of something along the same line—two missiles, the original missile, let us say, hypothetically, was developed and built under a contract for one agency. Another agency has asked for a similar missile. Let's assume that classification for the first missile since it went into production is confidential. The second missile (they give it another name with no physical changes) happens to be classified secret. I can't go into too much detail here. From a security standpoint we have a tremendous difficulty keeping integrity in the classification management program when our engineers and scientists come to us and say, "Look, I got this missile over here, it's marked confidential. When I go to the other side of the lab, the other side of the room, it's the same darn missile and you're telling me it's secret. How stupid do you think I am? Explain it!"

**MacClain** I think you can't explain it. I don't think it's capable of being explained. I think what has to happen is that objective people have to get together and agree that it is the same missile. Now,

if it is the same missile you have to find out what there is about it that you are trying to protect—it isn't a piece of hardware, it's something about that piece of hardware.

**Moglia** That's very arbitrary, sir, because maybe there's a variance within the same agencies.

**MacClain** Since you have conflicting results without an explanation—that's obviously arbitrary, but it can't remain that way if the people concerned will take the time to resolve the problem into information rather than a piece of hardware. Something about that piece of hardware needs classifying. On the one hand it must require the same classification as on the other hand, in my mind. Now, I don't know how we're ever going to arrive at this point but obviously we must, of getting out of the trap you're talking about and in this connection, (if I may, and I may be told that I'm not in the right place here, Dick), but I gather that centralized classification guidance really exists in the AEC picture. It starts at the top and comes down, but it always goes right on back to the top. It's under control. There's not too much flexibility down at the bottom. This is objectionable, a prisoner looking out between the bars—that's exactly what's wrong at DoD. There's not enough of this. Now, what is the balance we ought to arrive at?

**Healy** From the expression of one of the AEC panelists as to how they look at it . . . would any of you like to comment on it?

**Marsh** No, it's a very interesting question, (and Major Correia, I'm not passing over the question lightly) We've got some very interesting time ahead. Maybe we'll get to talk about that later.

But addressing the matter here of the AEC and how policy guidance is derived—I guess you can start from both ends without trying to be too elementary. As you know, the Act sets the work we do pretty much in concrete as far as being born classified and a policy guide, CG-W-1, implements this. Obviously this is a very general guide. It cannot be implemented to any large extent on the working level, not because it isn't a good guide, but because it wasn't intended to do this. In addition of course to this, there are program guides which are other AEC headquarters issued publications. They deal with many subjects and they're distinguished by yellow covers and they're issued by Mr. Marshall's organization.

What I think, should be emphasized is the fact that there are a great multitude of local guides. I think I can talk of that because it is one of the jobs we've been very busy in—that is, to publish local guides. Local guides occur at least a couple ways. First of all, if you've got a new weapons program like the MK 61, MK 62, or MK 63, what you do, in essence, on the working level, is to take policy guidance and make it specific to the program—delineate it in the amount of detail that you need to. Whenever you break over the policy barrier, you have to go back to Washington for approval. But

oftentimes you work within your own framework; you can get the approval of your operations office and you can go merrily on your way. We've published a lot of guides at Sandia that don't have to go back to Washington for post-audit but that are approved locally. We prefer to do this for obvious reasons because it gives us flexibility. We can change them when we need to or when we have to. Then, too, it's only honest to say that we think in lots of areas where we're dealing with new projects, new products—the field knows more technically about the product than anyone else does. And so what we try to do is to get our technical people to give us the best advice possible on any given subject.

I'll give you an illustration of one guide that we've written lately which boomeranged in a sense. We found that in the AEC we didn't have a good materials guide and our solution to the problem was to write a local guide and this we did with the help of many, many of the other contractors and with folks such as Don here, Redman, Jensen, and others. We published this locally and had it approved and now it's about to be appropriated as a policy guide on materials. It's all right because it serves a broader base and it's no longer a local guide in the sense that it's restricted only to our use and if it's useful to other people—that's fine.

The basic fact is that policy is established at the headquarters level and we recognize this and respect it. It's our responsibility to

fill the gaps; if we don't we're missing a bet and we ought to be active in this area. Certainly it's our job to contribute what we can and keep the guidance going both ways. If you sit and wait for things to be legislated, they may not quite suit you. So you do the best you can to prevent this by making a sound, logical guide to be presented for approval. By and large, you'll find it's acceptable all the way up through the policy chain.

**Healy** Fine, Jim. Is there anyone else who would like to comment on this or has any suggestions? Yes, George — George MacClain again, from Department of Defense.

**MacClain** I think from what was said just now by Mr. Marsh that flexibility at the field level does exist for making recommendations which can be accepted higher up. But does it happen that in the Atomic Energy contract field you don't run into this arbitrary conflict which was just mentioned—that does exist between two different parts of the Department of Defense? Have you found some way to avoid this conflict as described where a single piece of engineering is and is not classified at the same level at the same time?

**Marsh** Not completely. I'd be misleading if I said we have. My experience has been that we often get into problems because the nuclear laboratories are developing like items and are going in different directions. Then we must

try to weaponize them. Oftentimes because of the fact that LRL pursues one path and Los Alamos pursues another when we try to put them into a weaponized version of the same weapon we get into problems, but I believe that's because we haven't done a sufficiently good job of coordinating in the field. Perhaps, if you don't mind, I'll digress in order to recognize the fact that we do have breakdowns in communications. A couple of years ago, we organized a weapon contractor group which Don currently heads. We get together every three or four months and talk to one another, and this helps. It does not conclude the problems, but it helps. We find that we solve a lot of things by sitting around and discussing them and particularly by getting the two laboratories together. I'm not saying that we're without sin. But I can talk about them because there're not here. But this is very helpful.

**Healy** Anything else? Yes, Bob Rushing from Lockheed at Sunnyvale.

**Rushing** Jim, if I understood George's question right, the question was, "Have you resolved the question with the AEC of being able to get a classification answer?" You do have an organization to go to that will give you an interpretation and an answer. This is the Marshall's office, is it not? In other words if you do have a classification question, you have a place to go. It is knowledgeable in the business

of classification. Maybe you don't agree to what extent, but to some extent you resolve the question that the DoD contractor has. At the moment, it's my experience that you don't get very knowledgeable answers from the contracting officer. And that is where part of the problem lies.

**Rubenstein** Dick, as I see this problem, I don't believe we've gone back far enough to examine it as rootily as we should. Just take the problem at your area with the two missiles—one's confidential and one's secret. And then John Mackey has raised the question about the contractor who couldn't participate in this question. Let's take the secret missile. Somebody put the classification on it. Then we go to the definition of secret, "could cause serious damage to the nation." Now who's best qualified to make the decision of what could cause serious damage? Confidential is defined as "prejudicial to the nation." How would a contractor be able to make such a recommendation? How would he know what kind of damage something could cause to the nation or be prejudicial to the nation? It seems to me the classification has got to be assigned by the people who have the knowledge to make the determination of how much damage could be caused. The military people should know this. If they don't then they've got to find out or make some examination into various areas available to them as to whether it should be classified or not.

**Healy** Would you like to comment on that, John?

**Mackey** I don't argue that point, a bit; I think that the DoD should determine that it is classified and they are in the best position of anyone, of course, to determine whether it's secret or top secret or confidential. Probably my question is — what is it about that missile that is secret? If the checklist comes down and says the missile is secret, that's no guide to the contractor who has to make it in his own shop. He has to know more details. (Let's take an airplane engine which I know more about.) If it says engine, and the design details will be confidential, he has to know, for instance, whether the combustor on that engine is confidential, or whether the compressor, or the rotors, should be considered confidential. Then we begin to get realistic guidance as to what we should do. If we don't get that guidance, we're going to have to sit down someplace along the line, either before or after, and come to a decision as to what we think. Somebody is going to have to give us a guide. Because if they don't, we're going to have to step in and try to do it ourselves. No, I don't quarrel with your point.

**Boberg** It seems to me from listening to the discussion of the various members so far, that we have more what I would characterize as a communications problem than a technical problem. Major Correia mentioned earlier the need for

discussing, sitting down and having meetings on definitions and areas of disagreement. I think that part of the problem may be that this is a universal need. Perhaps this relates to what was just said (I guess you said it, didn't you, John?), about the fact that you get information that the missile is secret. You're not sure why and you're unable to tell your technical folks why. It relates also to the question about who was actually doing the classifying. Although I agree with you too, Sid, that the military is certainly in the best position to make the decision, I think that for their own benefit, and for the benefit of the contractor, a mutual decision would be beneficial to both. At least, maybe in part the decision would be made by the military, it would be helpful to have both sides involved, particularly when the contractor's side might be technical folks and the military side might be an ACO who is not necessarily qualified to make such a decision.

**Richard F. Cross, Institute for Defense Analyses** Our present question goes back to the basis of all classification, which is Executive Order 10501 (which establishes the classification that we're working with) and we try to lump everything into three basic classifications and work from that. This question has been posed to me and it is necessary to place everything categorically into these three classifications. Take your confidential missile that this gentleman was talk-

ing about. We can consider that to be confidential. Why? Because we say that the Soviets are going to have a comparable missile—fine—but the Chinese are not. Therefore we apply a classification of confidential to it. We should try to establish what we're trying to protect and why we're trying to protect it. Maybe we should examine EO 10501, and then redefine it as to what basis and what information we want to try to protect and then assign categories to each. It might help the exchange program; I don't know. Certainly we have defensive systems today that the Soviets excel in, and yet we still classify them because we don't want other nations in the world to have them. It might help if we look at the problem in this light as a new concept.

**Healy** I see a hand up over here.

**Leo Hodges** In reference to the missile that's classified confidential by one activity and secret by another, has the contractor attempted to go back to his buying activities and point this difference out? The reason I ask is that over the past year we've had quite a few instances of this, and in practically every case we have resolved it satisfactorily with the assistance of our Headquarters. These have been with the Navy, with NASA and so forth. Nowhere did we encounter any serious difficulties.

I wanted to also suggest that perhaps the reason for the difference in classifications is the difference in mission that the missile has for the two different

agencies. Maybe this opens up another area of classification. The question is whether we are protecting the advance in the state of the art, the technical advances, that are built into this missile, the missile itself, let's say from somebody's stealing it. If we were to break the missile down, component by component, we would find, perhaps, that many off-the-shelf items contained in this missile are interchangeable with those in many other missiles. Maybe a schematic somewhere along the line is confidential. Now, in the secret missile (it's the same missile that we're talking about) the same schematic is followed to do that wiring on it. However, because of the 254, and the wishes of the contracting agency the decision has been made that the missile is secret.

**Representative From Sargent Greenleaf Corp.** I just want to ask our military people here if it isn't possible that they have run across this experience. Can they say how they would normally resolve it?

**Healy** Yes, sir. Commander, would you like to comment on that question?

**Richardson** Yes. I would say that even if there was a difference in mission it wouldn't change the classification of the end item at all. What I'd say, and perhaps oversimplify the whole problem, is that it was a great big goof! Period!

This is the way these things are resolved. The contractor comes to

us and says, "Look, we are running unclassified product A on classified production line B. What gives? This is costing you money and it is costing me money." And immediately action is taken. Leo was pointing out to us just yesterday a problem he ran into in a plant where they had a little tiny classified item in a great big weapon. That was the only thing that made it classified, but they were classifying the whole production. Well, he went in there and told them, "Negative, this is ridiculous!" That is why you have got to have a two way exchange of information. A contractor can't be timid. He has got to come back to his contracting officer even if he gets his toes stepped on. I am hoping that with the emergence of this National Classification Management Society, the agencies within DoD will recognize the importance of this and give a little more importance to this particular business.

Again I am not going to explain our magnificent program, but I would like to note that there have been several solutions to some of these problems and recognition given to this kind of procurement activity. One way to do it (and you might be able to sell it to your program—I am addressing this to the DoD types here), is to get your classification authority, signature authority, as contracting officer for security. These contracting officers are delighted to get out from under that burden, because then they don't have to worry about it. They just pass it to the contracting officer for

security who has to worry about it.

**Healy** Thank you, very much. We have been neglecting the panel members here. I want to ask them if they have any comments. I was so concerned about getting a discussion from the floor that it has overwhelmed the panel now. Let's see if they have anything to say. Anybody? No, I have had my share. Don?

**Woodbridge** Well, I think that I would like to re-emphasize what Jim has said about the two-way street and the Commission's activities. Let's take this stuff, pandemonium, I mentioned a bit ago. We, out in the field are apt to know much sooner than the Division of Classification, Washington, about the potentialities of some new material. There isn't time to go through a lot of manipulations and discussions as to the classification so that people in the field on the basis of a fairly uniformly understood set of basic principles will determine that, by Jove, that thing had better be classified. Of course, we are faced with the "born classified" to begin with, so that rules frequently get set up to govern the handling of such a thing right away. That is the one thing I want to emphasize, that by the kind of exchange we have from Washington down to the field and back, our communications are really pretty good. But we are able to recognize these situations fairly early. We don't wind up too often with inconsistent results.

**Healy** Dick Durham, I believe

you were next with your hand up.

**Durham** About the 254: AEC, of course, doesn't use the 254, and I am taking words out of Howard Maines's mouth I am sure. I believe (and Howard has been awfully quiet today), that NASA does use the 254 under their industrial security setup. But on occasions, Howard, (check me if I am wrong) you use a letter of consent or letter-type guidance and this is the type of guidance that AEC uses in the sub-contracting area. This is the type of guidance that we, as the smallest agency in government who do not participate in the Department of Defense Industrial Security Program, use. We try in a letter-type guidance to define the areas of information that require protection. In other words, we identify the technical information or the scientific information. We are now finally reaching the stage of growth where we are getting into hardware. We are getting it and then from that we identify what we are trying to protect. We devolve our detailed guidance to the piece part level. But we do this in consultation with our contractor.

I would like to hear Howard Maines address this from a NASA side which I think we have missed today. I would also like to hear Jim Marsh, Commander Richardson or Tony express himself on another facet of communication. This is the Joint Classification Working Groups that have come about since the days of the Mark 47, the warhead for the A-1 Polaris, in whether there is some

merit to this type of system or not.

**Healy** Tony, I believe you had your hand up there.

**Correia** I think the whole problem is communications. To give you an example, two and a half years ago one of our contractors was buying thermal batteries from two different suppliers. These thermal batteries were confidential from one supplier and unclassified from another. We went to the Army, (the Army was the contracting command in this case, over Eagle-Picher) and we explained the situation to the Army Intelligence people. They went back to Fort Monmouth, New Jersey. Fort Monmouth had the original contract with Eagle-Picher, developed under Army contract for Fort Monmouth. They looked at it and said, "We agree with you that at this stage of the game and the state of the art, these batteries no longer need to be confidential. Therefore we will declassify them and notify Eagle-Picher." We ended up with an unclassified thermal battery for a re-entry vehicle.

The problem is communications. And through this society (I know in the Los Angeles Chapter), there have probably been a half a dozen items that have been brought to my attention. I have gone back to BSD and we have looked into the problems, talked with the project people and foreign technology people, and reviewed the state of the art and declassified the items. But up until this point, and up until George MacClain's office was

established, we didn't have sufficient effective classification management. Now it is coming about and I think that through the exchange of information here, it is getting better.

On the Joint Working Groups on the Mark 12 re-entry vehicle, where we sit down with the Navy, Air Force and AEC, we have resolved a lot of problems and have come up with some mutual understanding of just what is meant. The AEC, of course, had a different interpretation of what trajectories are. We had a trajectory concept; we had to come up with a good definition for it in the classification guide. We ended up with about 12 pages of definitions in the Mark 12 guide where we thought we had it resolved with only two. We found that some of the definitions in the ISM didn't fit this particular missile or the particular RV. So it is a matter of communications, of bringing it to somebody's attention, discussing it and getting the thing resolved. And nine times out of ten, they will get resolved.

**Healy** I see a hand in the back; my eyes are not so good anymore. It is Howard Maines, isn't it?

**Maines** In the past ten or twelve years I have sat in many conferences and listened to the problems that are involved. I don't think that we have ever really defined the problems. This afternoon I have heard it said that the 254 is the trouble, that we need a dictionary, that it is a semantics problem, a communi-



cations problem, an education problem, and that it is the basic attitude of the literally thousands of people involved in assigning classification. The problems go from one end of the spectrum to the other. In NASA we have had the contractors participate with us in writing some of the biggest guides we have. We have issued guidance as edict from the oracle of wisdom here in Washington. I would suggest that we don't know what the problem is that is causing chaos in classification and I think it is chaos; I don't think it is nearly as neat and as clean as my colleague Commander Richardson believes it to be.

I would suggest another area that has been hinted at, and that might go a long ways toward solving all these problems, and that might be appropriate for such a society as this to address itself to, is that all authority stems from this Executive Order 10501. I suppose that I have read that thing a hundred times. Every time I read it I become more frustrated. I think that there is a great paucity of information from the National Security Council on what in the devil we are doing — whether the contractor is sitting down or whether it is the contracting agency. I often feel that it is the blind leading the blind. It seems to me that we need at least a set of principles or something lower than the Executive Order. Certainly you can't write 254's at the President's level. The broad sweeping generalities of terms that are used in an Executive Order are fine for that level, but I find them

less than helpful in determining what should be classified about a missile system being developed. There are so many things involved and so many factors that have to be cranked in, that I think a set of principles or whatever you want to call it ("dictionary" is not the word) but something that goes lower than the Executive Order is needed. Working from that maybe we wouldn't have NASA going one direction, and the Army in another, and the Air Force in still another.

Certainly there is a communications problem, but how do you get a few million people communicating with one another? We are communicating all over the place in NASA. I am so busy communicating I don't know what I am doing. We very carefully worked up a classification guide one time that said, "Command codes are classified." This is just a four word statement — "Command codes are classified." When you radio a space craft to do something, the little blip you send out on the radio is classified. One of our own space centers published the darn thing. So we said, "Why, you idiots, what did you do that for?" They said, "Oh, that is not a command code; that is an interrogation code. We are asking the satellite to read out something."

**Healy** Bob Rushing has a comment to make. Bob is from Lockheed.

**Rushing** Of course we have resolved all our problems out at Lockheed, and, Tony, we are going

to declassify those thermal batteries tonight when I get back. I didn't know about them. You are right. We can declassify them but we can't ship them overseas. Really, I destroyed them a long time ago—I was just needling him. We have spoken about all the problems we have within the DoD family and the State Department family also. It appears to me that there is one characteristic that kind of separates us from the AEC contractor family and the AEC itself. These people, the AEC contractors, seem to have some problems, but they appear to be minor in comparison with ours. They have a corps of professional people and they have been in existence for several years. They have a single source of authority to which they as contractors can go to get their problems resolved. I have no doubt in my mind they have in this single source of authority a record of what decisions have been made. In the DoD now I think it is true one hand doesn't know what the other one is doing sometimes. And I think it is also true that it takes a year to get these two hands together, because no one knows what decision was made or why it was made. I believe that we can say that several years from now (possibly within two or three) we in the DoD can come up to the calibre of what apparently AEC contractors and the AEC have.

**Bruno W. Ozimek, U.S. Army Mobility Command** I want to make some comments about the DD 254. Actually, we con-

sider it a derivative in a more narrow sense of an overall weapon system classification guide. So we should start from the source. When a project engineer initiates any new action, he is justifying it and trying to come up with a new system. At this point, the standard weapon system classification guide should be prepared. The trouble is that within any installation it is frequently done by a project engineer who does not consider the actual implications of security when he is placing his "X's" on a given form. This is one of the problems. Formerly one of the services, I thought, had a good general approach, although it had some problems connected with it. They had a weapon system classification guide which was broken down into phases, such as research and development, production engineering, production, use, and obsolescence. It may be well to re-evaluate some of the systems that were followed previously. From an overall standpoint, I think DoD should develop a basic guide, a weapon system guide, because the three services are very much dependent on each other for purchases. One is purchasing for the other, and regardless of whether we are the user or buyer, we should all protect the same information the same way and know what these rules are.

**Healy** Thank you, very much. Don Garrett from the Department of Defense would like to make a comment.

**Garrett** Since we began opera-

tions just about two years ago, we have asked that we be supplied with copies of classification guidance and we have received a whole drawer full from the Army, Navy, Air Force, and NASA. We have gone over these, and I made an analysis of over 90 of them to find out what people were classifying, somewhere along the line. I found that there were probably just roughly, 250 different items that people were thinking about classifying. Then I started to look at where those types of information appeared, and I made some other analyses. Finally I went to the DDC, "Thesaurus of Descriptors". I took a look at that and I found that there they start out with 26 different fields of interest. They break those 26 fields of interest down into 170; then they break those 170 down into about 3,110 or so. I got a little bit worried about how big a problem this might be.

Somebody, I think, asked whether there was a dictionary which could be supplied that would provide a basis for a uniform understanding of what should be classified. I think this is a good idea. In matter of fact, we have been thinking about it in terms of automation. But we have to start with the basic concept that it is information which we are classifying first of all, and second of all, that we should classify anything that reveals that information. Here you would come to the classification of the missile. The problem of communication has been mentioned here. It is a failure to delineate clearly, identify and (if

necessary), interpret, just exactly what it is about the missile or the electronic equipment or whatever it is that requires classification. This is the kind of thing that your dictionary would have to explain. In making these analyses, we have found that there are probably certain fields of interest in which there should be a basic classification guide for weapons systems. That sounds pretty good. But then we say, "What kind of a weapon system?" We have all kinds of things—thermal batteries is one of our sore spots. Those stupid little — we have been trying for two years to get the Army, Navy and the Air Force to agree on a classification for those stupid little things. So, I don't know what we'd do on a weapons system. Anyway, there are probably certain fields of interest for which certain basic guidance could be provided to lead the guideline writers through the mental gyrations they have to go through to determine what it is about their system or systems that requires security protection. As a matter of fact, the Air Force, I feel sure, shares our interest in this, and I think Dean Richardson does too. We need to come up with some guidance of this sort to help people decide when they write a guide for a project or program or piece of equipment exactly what it is about it that requires protection, and more specifically, why. I think perhaps it would be of considerable use to us in DoD to have some ideas from industry as to the type of guidance that they would like to have, the type of guidance that they feel would be of the most

use to them, remembering that DoD is involved in every field of interest of humanity. A lot of what requires security classification is R&D; a lot of it is specific military application. So, it becomes tremendously complicated. I would like to ask if any of the panel members have thought in terms of the form of guidance which might be most useful for them to receive from the government office?

**Healy** I think a question was raised by Don Garrett.

**Mackey.** I'll take a crack at it. I don't believe that I have thought of any particular format that you would use. I'm just thinking in terms of information that can be given. By format, I mean form, substance. I'm thinking of a couple of examples that I've used before. When you term reliability as classified, what do you mean by reliability when it comes right down to the contractor's own end item? You could have many things touching on reliability in mind. In fact, on a particular weapons system almost everything about the thing could touch reliability, but DoD must mean something specifically — or they should — and if they do, they should explain to the contractor exactly what they mean by reliability. Do I answer your question?

**Garrett** In part. However, mentioning reliability, there you would probably prefer to have the kind of guidance which would say — I don't know. What are you asking for; what are you looking for; how,

what does it mean to you when you come to applying it to a particular aircraft engine that you're manufacturing?

**Mackey** Would it mean, for instance, the time between overhaul? Is this a reliability factor that we should be protecting? We don't know. We've had a couple of check lists come in where we've had to go back immediately and ask what reliability means. Of course, this should have probably been done by our negotiators in the first place, but it was not. I think a better example is probably design. On one 254 that we have, for design there is a checkmark in the secret column, the confidential column, and in the unclassified column, and down in item #15 it says, "When in doubt make it SECRET". Real good guidance!

**James D. Moran, General**

**Precision, Inc.** May I comment here? I, at one time or another, was an instructor in industrial security and I must admit I had a very idealistic viewpoint. I am now with industry and I get very much involved with classification management. I think, Don, that one of the things that could be done to afford the needed communication between the government source and the contractor is that when you get to the stage of a work statement where your contracting source declares parameters, specifications and spells out the work in detail, each one of these parameters or specifications could be followed by a remark or two about the particular classifica-

tion required, rather than just serving up the 254 with an X marked categorically covering maybe twenty, thirty, forty or fifty parameters. So, the work statement is an item that is very important to a contract, and very important to the classification management officer of the contractor. But it is not used to the fullest degree and it could be used to a great advantage by the government source.

**Healy** John Mackey has a comment.

**Mackey** Just to add to what you're saying, we would, for instance, like things which said that the airflow or the fuel flow or the specific oil consumption is classified and what its classified characteristics are. Or we might want to know what particular piece of hardware or at what particular time that hardware become classified. You certainly aren't going down to the nuts and bolts. At some point in time it's going to become classified — now, this is the kind of specific and realistic guidance that we need. Do we do it, or does the DoD-side do it before we get the checklist or along with the checklist? These are the pertinent questions that I have asked.

**Healy** Bob Rushing has a comment I think he wants to make.

**Rushing** It looks as though we have been beating DoD over the head as a contractor family. I would like to make two points. One is that no contractor signs a contract and accepts it without

carefully reviewing it from the financial and technical viewpoint. I for one recognize that our company has ten days to study a contract before it signs off on it. That is the complete package — DD 254 comes with it. Second, we have been talking only about what DoD does. For every prime contract that we have there are usually subcontractors. How about the 254's for them? How good are they? Do we as contractors practice what we've been saying that DoD should be practicing toward us?

**Healy** Good point, Bob. Major Arnold, do you have a comment?

**Robert C. Arnold, Major, USAF** One of the things that we have failed to bring up this afternoon — possibly many of us have had it in the back of our minds — we do have education problems; we do have communications problems; we certainly admit that the guidance provided the contractors is not in the greatest shape that it should be; we certainly admit that there must be lots of interpretations; and there will always have to be interpretations. I think we should go back to the basic issue here and the purpose of the Classification Management Society. When we think about all of our problems, let's see if we can't figure out one way that possibly might solve them or at least help us progress down the road toward a solution. I think if each of us can give a little thought to the necessity for a very aggressive classification management pro-

gram within our own institution or on our own echelon of command, and the necessity for manning that with people that have an "honest to God" desire to solve the problems, then these problems will have a chance of being solved. We can provide all the directives, all the procedure, all the rules, and they will not solve the problem. It's just like a football coach trying to teach a kid to block. He can give him the skill, but if he doesn't have the desire he hasn't got a chance of making the play work. I fully believe that a classification management program must be at the contractor's level and it must entail all of the people that his company comes in contact with. I think our classification management program within DoD must be successful within each echelon of command and must have command support so that all personnel throughout the individual commands will know what we are striving for. That's my answer to the problem.

**Healy** Thank you very much. One more quick question and then I think we will have to close.

**James J. Bagley, Naval Research Lab.** I really shouldn't ask this question at this late date. I would like to ask one philosophical question and that is "Is CM a security decision or is it a technical decision with security implications?"

**Healy** I'd better quit while I'm ahead I guess. Dick Durham has asked for five minutes to close the session. Your participation this af-

ternoon has been encouraging. I don't know how to summarize this except to say that we do have problems and I think we all recognized this before we came here. I think that's why the Classification Society was formed. Certainly with this kind of communication and this kind of discussion, it can only be good and helpful. You might consider, as some societies of this type have done in the past, forming a task force, a committee if you will, to take these problems that have been discussed here today and give them more thorough study and attention. Speaking for the other panel members and myself, we are delighted to have been here this afternoon. We've enjoyed it tremendously.

**Durham** Thank you, Dick and panel. I think this last two-hour discussion has given us a lot of food for thought. Tomorrow we'll hear the other side of the picture, the executive views on classification, and, maybe, Jim Bagley, when that's over, you can answer your own question. Before the seminar closes, I'll see that one or two people give you an opinion.

### **Panel — The Executive Views Classification Management**

**Durham**

This morning we start the second half of our program with the very distinguished panel entitled "The Executive Views Classification Management." At this time it

gives me great pleasure to introduce the moderator of this panel, a gentleman that really needs no introduction, my colleague in the Office of the Secretary of Defense, a distinguished lawyer, a distinguished classification analyst, management man, and all of the other titles we discussed yesterday — George MacClain.

### **MacClain**

Thank you, Dick, the gentlemen who are here to address you this morning, fellow members, guests, and all. It's a great privilege to be moderator of this very distinguished panel, which you see before you here this morning. I know that you come to these proceedings this morning with a feeling of enthusiasm and interest and because of the very high level of interest that was established and maintained yesterday and the exceedingly pleasant social affair yesterday evening. I hope you all had a good time last night and I hope you all are ready to carry on this morning with the business of classification management.

In any seminar of this kind, it is very important that we look at the broad picture from as many different sides as we can. And, certainly there is no more important side to classification management than the executive point of view. Each of us is, in one way or another, an official and a worker and we do what we can either to help make policy or to implement it. But, there are those who have the responsibility of looking at the picture in the broadest sense, whether they be in government or

whether they be outside and therefore, this morning, we are privileged and honored to have with us to speak to us, distinguished people who come from government, from business, and from the educational field.

As you all know, classification management, as a term and as a concept is, I think, relatively new. The subject of classified information is not and the subject of sensitive information is not, but certainly the term classification management in its broad aspect is new and some of the gentlemen in the audience and on the rostrum are closely identified with the creation of this new concept and with its growth. These gentlemen come to us out of extremely busy time and they are going to speak to us for 8 to 10 minutes without interruption after which we will have questions from the floor. I would like you not to withhold your questions because you may feel that they should not be asked of people in such high positions — I'm sure these people would like to answer your questions as best they can from their perspective and their interest in this seminar, and this panel discussion this morning will be magnified and intensified by your interest in propounding questions for them to consider.

Our first speaker this morning is Dr. Elmer Plischke. He is an educator, a political scientist, and an author. He's a professor, head of the Department of Government and Politics at the University of Maryland. I am sure many of you here have attended the University of Maryland, either on a resident

basis or an extension basis, and that many of you have become familiar with Dr. Plischke through his writings, and perhaps through personal contact with him as a professor. He was born in Wisconsin and received his Bachelor of Philosophy degree at Marquette University. Thereafter, he received an MA from American University and a PhD from Clark University in Worcester, Massachusetts. His teaching career at the college level began as far back as 1940, at which time also his keen interest in government and public administration began to be reflected in the things that he did. But, like so many of you, his professional career was interrupted by military service. As a Naval Reserve officer, he was on active duty from 1943-46. And, like many others, he was able to serve in a capacity that fitted well into his professional career outside the military service. He was in an executive capacity in a civil affairs position at the Headquarters of the Commander, U.S. Naval Forces, Europe, in London, and later in the Office of the Director, Political Affairs, of the military government for Germany. In this latter situation, he was very close to one of the difficult problems growing out of the war — he was in charge of the de-nazification policy coordination. Thus his contact with sensitive affairs of government and people goes back a long way. Except for the period 1950-52, when he was engaged as a special historian in the office of the High Commissioner for Germany, Dr. Plischke has been an educator and an author since 1946.

He taught for two years at DePauw University, and since 1948 has been at the University of Maryland. His published writings since 1950 have been many, and they continue to be published with regularity, either as books or in professional journals. His field of greatest interest is that of government and political science and foreign relations. He is deeply concerned with the theoretical aspects of relations between countries, particularly the foreign relations of the United States. He is not just a theorist, he is a pragmatist and a realist in the everyday business of the policy and decision-making processes of government in the United States. He is a member of numerous professional associations, including the American Association of University Professors, and the American Society of International Law. Dr. Plischke does not purport to be an expert classification analyst or classificist or any of the other terms that we were using yesterday, but he has had a long contact and exposure to the sensitive relations of the government to the people, particularly in the matter of the revelation by the government of its business and of its affairs and with, of course, a special emphasis on the international picture. He hopes, this morning, to throw some light for our edification as classification managers, on some of the practical aspects of the use of classified information in relations between nations and in the affairs of government in the U.S. It gives me great pleasure to introduce to you Dr. Elmer Plischke.



**Dr. Elmer Plischke**

Thank you very much for that thoughtful introduction. I come before you with some apology in that I don't presume to be competent to discuss the technical aspects of document classification management. However, as indicated in the introductory remarks, I've had some contact with documentation and revelation of information by government in at least two aspects. On the one hand there are my experiences during World War II as a member of the Naval establishment, and later, on the staffs of Ambassador Robert Murphy and the High Commissioner for Germany. On the other hand, there are my endeavors as a researcher who is interested in acquiring information. Consequently, I thought it might be well to discuss briefly some of the general propositions that confront one who plays the role I do.

There exists a great deal of confused thinking with respect to the relationship of the government and the people in the matter of the revelation of information. Therefore, I should like to pose a number of these general propositions. Our democratic system operates on the axiomatic thesis that the people have a "right to know." However, there are those who think that we have become too democratic and that this right to know is exaggerated in the psychology of the public and the press. Secondly, as a consequence we have developed somewhat of a pathological insistence on being informed; I don't mean being knowledgeable with respect to the matters with which

we are directly and personally concerned, but rather being informed as to many matters which are of little concern to one, either in his professional capacity or as a citizen. It follows axiomatically that a dividing line must be drawn as to the information that should be revealed to this public or to a given vested interest group or any other element of our complex proliferated grouping of citizens, and that this dividing line must be drawn by the government and not by the press or the people.

Another proposition which has impressed itself upon me over the years is that one needs to come to the understanding that it is essential to distinguish working papers from end products. This is particularly true in the field of diplomacy. You may recall that President Wilson in the first of his historic Fourteen Points espoused open covenants openly arrived at. He was aware that there are two elements — the end product and the production of that end product, and yet the moment he became a diplomatist himself by going to the Paris peace conference at the end of World War I, he readily realized that he really was concerned with end products of open covenants and not with the principle "openly arrived at." What I am suggesting here is that it is necessary to understand that in the process of decision-making with respect to important foreign and security policy, or in the process of negotiating an end product in the field of diplomacy, or in inter-agency associations relating to these, while the end product often is intended

to be made public or enter the public domain, it may very well be that what goes into achieving the production of that end product is not everybody's business. On the other hand, on occasion it may be that the end product itself needs to be classified, whereas some of the elements involved in its production do not.

Another proposition is that there are many reasons for non-publication or non-revelation. On the one hand, there is a vast amount of trivia. In the field of diplomacy, there are hundreds if not thousands of agreements arrived at which are so inconsequential that no one is really concerned about making them public. There is no desire to keep them confidential, but the government has neither the time nor the financial resources to make all of them public. For example in the early 1950's, Secretary of State Dulles, appearing before the Senate Foreign Relations Committee concerning the Bricker amendment proposal and addressing himself to the subject of executive agreements, indicated that at that time only a year or two after its inception, there already were 10,000 agreements to implement the North Atlantic Treaty. He went on to explain that such agreements were needed even to plant grass on American establishments in France, and he asked the Senators if they wanted the publication of all these agreements. No one really is seriously concerned about this kind of information. Secondly, there is a matter of the private affairs of the man of public affairs. The alleged

insistence on the American public's right to know a great many things about an individual's private affairs, identifying private lives with public lives, and requiring our leaders to live in a fish bowl and denying them an opportunity to enjoy the privacy of their own affairs has come to be commonly accepted. Thirdly, information sometimes is not revealed for partisan reasons. This can be a very sensitive matter and yet it is one that needs to be understood. For example, members of Congress will divulge how they voted on given issues, and the reasons for doing so, but they rarely will reveal the political pressures exercised to influence their votes. This is not the kind of information that they believe should flow into the public domain at the time; some day they may write their memoirs and tell us all about it.

These three categories, in my judgment, do not pose a classification problem. There are others that do, however. These obviously include security matters — this I don't need to discuss because it is the subject of this symposium. Secondly, there are the considerations that are involved in the policy-making process prior to arriving at a decision. During this phase it is not advisable to make policy in the public forum, but rather in private. In addition, as I have indicated, we do classify documents involved in the negotiation process in diplomacy, just as business, I am sure, plays it very close to the chest during its negotiations.

As a citizen, as a professor, and

as a researcher, rather than as a producer of government information, I find that this matter is very complex and cannot be oversimplified merely by alleging the public has a right to know and therefore the government being the servant of the public must reveal. We have on the one hand intra-agency relations in which unit "A" does not want to reveal everything to unit "B" in a negotiation in which they are engaged. We also have the inter-agency problem in which the same prevails among the agencies, as between the Departments of Defense and State. In addition, there is the problem of the interrelations of the Executive and the Legislative branches. There is no simple solution to this problem, because the Congress (or individual members or committees) constantly press for more information from the Executive. One method of resolving this problem is to provide certain members of the legislature with information in confidence, but this puts them in a difficult position because they possess the information and cannot use it politically. This problem cannot easily be solved.

In the area of diplomacy, despite the public right to know, the Department of State cannot publish documents to which other governments are a party without the consent of those governments (except for our enemies). Often the Department of State, while it may be anxious to publish, and has material ready for publication, cannot do so until it obtains this consent. As a

matter of fact the Department of State has the same problem with respect to the Department of Defense. If a Defense Department document is involved, the State Department cannot publish it without the consent of the Defense Department and this is really one of the main issues that delayed the publication of the Yalta papers some years ago.

In closing, I should like to emphasize two general conclusions and hope they will provoke some comment and reaction. On the one hand, I marvel not at the fact that there is secrecy in our government. I marvel, rather, at the openness of the American government — the high degree to which our government does make information readily available. The second conclusion, which flows particularly from the role I play as a researcher, is that if you really work at it hard enough, you generally can get all the information to which you are entitled.

**MacClain** Thank you, Dr. Plischke for those, to me, exciting remarks. I think he sums up in a few words one of the tough problems of the government today in the U.S. more than in some other countries. Our relationship to the expressions from within the government of what it knows are narrowly confined to what affects the national defense. Classification is not the only reason why complete disclosures are not always made; other very good and acceptable reasons exist and we, as classification managers, should help those in the public information business

discharge their burden, too. Our next speaker this morning is going to talk to us from the point of view of the businessman. Many of you, indeed, most of you are from business—that part of business particularly which does its work with the government of the U.S. in its defense structure. Mr. Nichols, our next speaker, is the Administrative Director of Lockheed Missiles and Space Company, Sunnyvale, California. The name Lockheed, like the names of certain other aerospace facilities, is almost a by-word in the U.S., having been in existence for so many years and having contributed so significantly to our industrial know-how. Mr. Nichols knows the Lockheed Missiles and Space Company from the inside and he knows something of the government from the inside too. He is a lawyer, having obtained his law degree from George Washington University. For three years after he received his law degree, Mr. Nichols learned about the FBI from the inside as a special agent. Then, he became interested in business and since 1940 he has been associated with the Lockheed Corporation and more recently with the Lockheed Missiles and Space Company.

In connection with his service in Lockheed, he became very closely aligned with the activities relating to protection of classified information. He has considerable experience in another facet of industrial security -- the protection of private information belonging to the company. He couldn't forget one of his first loves was law. He became the LMSC company counsel

with responsibility for all the legal phases of their activity, including their contract activities, their sub-contract activities, and their patent and copyright problems. Now, of course, he's blending all of this vast experience as Administrative Director of LMSC where he directs management planning, industrial relations, legal operations, public relations, master scheduling and property administration activities. What more could you do? In this connection, of course, he's been associated with our good friend, Bob Rushing. Whether Bob Rushing brought the news of classification management to him I don't know, but certainly since Bob got there, it's been a very active function. So it gives us great pleasure to hear from Mr. Nichols this morning, who as a businessman and a lawyer and a government man all blended into one, can give us his views of classification management as he sees it, at the executive level of management.

#### **E. L. Nichols**

Mr. Chairman, honored guests, ladies and gentlemen: I'm very appreciative of the opportunity of spending a few minutes with you today as a representative of industry. On the airplane I had a copy of your classification management journal, which I read with great interest. Mr. MacClain, I thought your article on "The Road Ahead" was especially well done. In the back of the journal I found the names of all you fine people who are members of this society, and as I counted them there were 71. Bob Rushing tells me that your

membership has now risen to 87. You are to be congratulated. I think this is a very fine thing that you're doing. I want to congratulate you first on the formation of the society, on your journal, and on the symposium that you're holding today.

When I mentioned to one of our scientists that I had the opportunity to talk with you on the subject of classification management he had a very novel suggestion for your consideration. He first took me over to one of our storage rooms where there is approximately an acre of files and pointed out that in view of the vast quantities of documents pouring through our organization it would be almost humanly impossible for any one person to pick out documents containing specific information that would be vital to our defense. That is, he said, it would be impossible were it not for our security program which highlights each such document by requiring that it have a cover sheet edged in red with large lettering at the top and bottom of each page marked "SECRET." He pointed out that were he an enemy agent such an arrangement would make it very convenient for him to solicit some weak employee to furnish him copies of each such document at an agreed-upon price. On the other hand, if no such identifying markings were attached to the documents it would be impossible for any employee to select from the tons of documents passing through the organization those which contained significant data. Our scientist had a specific suggestion which

he requested that I convey to you. First, eliminate all classifications from documents; second, continue the requirement that all information on Government programs be cleared with the authorized Government personnel before releasing it to the press; third, impose the requirement that company personnel may not discuss any phase of a Government project with any person unless he has a need-to-know; and fourth, continue the present procedure of obtaining secret clearances for personnel who work on particularly sensitive projects. I am not here this morning to advocate such a revolutionary approach. However, it does stimulate the imagination.

From the standpoint of most defense contractors, their prime problem is to deliver a quality product on time at a competitive cost and, hopefully, while doing it advance the state-of-the-art. Substantially all of the programs set by the Government such as the Zero Defects program, Value Engineering, and Extra Care, assist the contractor in meeting these basic objectives. The security requirements imposed by the Government, however, are unique in that they not only do not contribute to the accomplishment of these objectives but actually hinder such accomplishment. They are, in short, a millstone around the contractor's neck.

It, therefore, is in the best interests of the Government and the contractor to keep the millstone as light as possible and to keep classified documents to an absolute minimum. It is estimated that the an-

nual cost of processing each secret document in a defense plant runs between \$4.50 and \$7.00. When considering this cost my scientific friend suggested that the enemy could quickly bring us to our knees if he simply flooded the plant with classified documents. We would then all be so busy handling them in accordance with the regulations that no productive effort could result.

Each quarter our company is given a security inspection by the Western Contracts Management Region. The inspectors are an intelligent and dedicated group of men. One of their assignments is to determine whether we have a record of the location of every secret document until it is disposed of in accordance with regulations. Unless a contractor receives a satisfactory security rating as a result of these inspections his security clearance may be lifted and this, of course, would be a business catastrophe. At the conclusion of these reviews the inspectors take the time to sit down with me and discuss all phases of the report. I have frequently pointed out that their effort would be much more meaningful if they included in the inspection not only the tracking of classified documents but a review of the classification guidelines that have been imposed upon the contractor to determine whether they were necessary and an analysis of the documents that have been classified to see whether they have been overclassified. They point out to me, however, first, that their assignment does not authorize them to make such a review and

second, that they are not qualified inasmuch as it would take someone thoroughly familiar with the program to make a valid determination. We, therefore, have a system without a control. This is unique in our operation. Substantially every other facet of the defense industry is under a perpetual audit not only by the company auditors but by the auditors of the Air Force, the auditors of the Navy, the auditors of the Army and the auditors of the General Accounting Office. None of them, however, audit to determine whether the documents in the contractor's plant are overclassified.

Our classification system by its very nature lends itself to overclassification. If you look at it from a personal standpoint, if you were assigned to a particular desk and you were in doubt whether a document should or should not be classified, human nature would dictate that you classify it just to be safe.

At our company we have three large divisions; the basic product of one division is the Polaris and the Poseidon missile; another division's basic product is the Agena satellite, and the other is our large Research and Development division. A couple of years ago we recognized that it would be useful if the classification experts in each of the three divisions got together and took advantage of the experience developed by their counterparts in reducing the number of classified documents floating through our plant. As a result we formed a company Classification Management Board. Through

the medium of the Board they meet each month and communicate their latest techniques. This has been most helpful. I am convinced that if defense contractors are to keep the classified documents within reasonable bounds they must inaugurate an aggressive classification management program that will challenge the classification guidelines laid down by the Government agencies and insist that they be sufficiently definitive so that meaningful judgments can be made regarding the classification of documents. This requires trained, dedicated people. Unfortunately in some of the Government agencies, and in the defense plants for that matter, the assignment of classification management is simply added to the already overloaded duties of a junior officer or executive. We must have professional people, both in Government and in industry, who are thoroughly qualified if we are going to keep document classification within limits.

I understand that under current regulations we are required to put a new type safe in our plants. The cabinets we have used over the years do not meet the new regulations. I was pleased to learn just recently that the implementation of this regulation has been postponed. I have been with my company for a great many years and I don't know of one instance where a safe or cabinet containing classified information has been forced. Therefore, I hope they will let us continue to use our existing file cabinets. Perhaps the money that the Government will indirectly

save could be used to sponsor a study contract on classification management. We have study contracts in many other phases of our operation, but I don't know of one in this area and I think it would be useful.

Additionally, I would urge that the DoD establish a central file in each of its program offices containing the classification determinations and decisions that have been made relating to each particular program. This would be helpful in view of the Government's policy of rotating people.

Now, I don't want the DoD to feel that I'm overly critical. I think that Mr. Skallerup, who incidentally has taken the time to come to our plant, is doing an excellent job. I know he's mindful of the problems that are facing us under the many existing regulations. Although my time is up I must give one example of how regulations work. The San Francisco Examiner two weeks ago published a picture of a little old lady. Her name was Elizabeth Orr and she came from San Luis Obispo. I don't know if it got into the national press or not, but it well illustrates the problems involved with regulations. She loves to grow roses out in San Luis Obispo and she drove up to an abandoned portion of an Army base where cattle had been pastured. She recognized that there were plant nutrients available so she went to the Sergeant and asked him for a little tubful. He looked up the regulations and there was nothing that provides for the transfer of plant nutrients from a military

base to a civilian. The Sergeant went to the Lieutenant and the Lieutenant went to the Captain and the Captain went to the Base Commander — and there were no regulations. So, she was denied the nutrients and her roses were denied the nutrients. She was approximately 78 years of age and she was not about to be stopped by regulations. Her father had been a member of the legislature of the great state of Texas and she realized that she had a friend in the White House so she wrote him a letter. Well, he immediately called the General and the General called the Base at San Luis Obispo and said, "For heaven's sake — give it to her." By that time the press had become knowledgeable about Mrs. Orr's problem. So, the little old lady got into her car, which was a 1948 Chevrolet, with 15 press representatives following her and she drove from San Luis Obispo to the Army Base and en-route the muffler fell off her car. She fixed it with a piece of barbed wire. The San Francisco Examiner showed a picture of her with her little black dress on and flat heels and two strands of pearls and she was out on this Army Base picking up the plant nutrient, putting it in a little tub. They put a microphone in front of her because of the public interest and asked her to comment. She said that she was amazed that a little (and then she used a 4-letter word that's been made popular at the University of California) could cause so much commotion. So, ladies and gentlemen, it is these regulations that are doing it to us.

**McClain** Thank you Mr. Nichols. I am sure your story will never be forgotten. It was certainly thought-provoking to have you make your observations which are so directly pertinent to our business. We know you speak from experience. We visited several companies on the West Coast recently, and I certainly want to say to all of industry and to those of you who are in Government here that it has always been my observation — I hope yours — that industry and Government team up beautifully on the occasion of visits which are being made for the purpose of obtaining information to help both sides. The Lockheed Missiles and Space Company and other companies were hospitable to us, and they gave us information in a generous way and it was, at least as far as I was concerned, very refreshing to find that not only Lockheed has a classification management program in progress, but also do other companies that we visited. It was not hard to recognize in these various programs that management was at work — in fact management was at work because top level management people were interested in it. We are duly grateful for the fact that Mr. Nichols has come all this way to speak from experience to us.

The next speaker, Mr. Walter Skallerup, is one whom I dare say practically every one of you knows. He is the Deputy Assistant Secretary for Security Policy, DoD. He has been in that position since January of 1962. He was born in Chicago, but went to school in Pennsylvania, where he obtained



his AB degree at Swarthmore. During World War II, as a Naval Reserve officer, he had extended active duty in the Pacific theater. He served aboard the aircraft carrier Hornet and the radar picket destroyer Cushing, was decorated with the Silver Star, the Bronze Star Medal with Combat V, and the Presidential Unit Citation. After the war, he went to work as a lawyer in the Office of the General Counsel, Atomic Energy Commission. Then, after several years in private practice, he was appointed in 1962 to his present position. In addition to being a lawyer and an administrator, Mr. Skallerup is a businessman. He has been a director of a bank and of an investment company, and he engages in farming. It gives me a great deal of pleasure to present Mr. Skallerup.

**Walter Skallerup.**

Mr. Moderator, ladies and gentlemen: Like Mr. Nichols, I would like to express my appreciation for the use of these facilities. The last time I made some remarks to a group concerning classification management was to a group in industry. We were "roughing it" at the Casa Blanca in Scottsdale.

I would like to express my appreciation for the activities of your energetic Chairman, Mr. Durham, in organizing this seminar, and I feel complimented in being invited to participate on this panel and to have the opportunity of expressing some views regarding classification management.

I believe this society has one of the most unique opportunities of any comparable group. There are

many endeavors in and outside of the government where progress is going to be made in slow and rather not spectacular stages, but I think your group really has the opportunity of making some great strides and in the not-too-distant future. To me, classification management has been one of the most intellectually interesting phases of my work. It is an exacting field and one which sometimes provides the opportunity for some deep, philosophical thought. I usually find discussion revolving about the question whether certain information should be considered secret very stimulating. While this may be accounted for in part by the subject matter under deliberation, there is no question that working in this area with our Moderator, George MacClain, is the principal reason.

As you know, functional responsibility for classification management policy was assigned to officials in the Department of Defense who were responsible for security policy. I believe this was a sound assignment of responsibility. I will digress for a moment and tell you how it happened. Rather early in the days of the Kennedy Administration, both Secretaries McNamara and Rusk expressed concern one morning at finding some very sensitive information out in the front pages. Mr. McNamara called in a trusted advisor and inquired what to do about this. His advisor deliberated and talked it over with a lot of people and made some suggestions. One of the things he pointed out was the difficulty for those in govern-

ment to determine just what really was classified and what was not sensitive. We knew we had a problem, but what should be done about it? The then General Counsel, Cyrus Vance, brought in a consultant and put him to work on the problem. The consultant talked to people experienced in this field, and after some months of good hard work, after he really thought the thing through, he developed the first blueprint really, and it became the blueprint or the foundation of our classification management program.

I would like today to pay official and public recognition to Colonel Sidney Rubenstein who is with us today and who did this job.

The function of classifying information is a vital part of our security program. It is the first step that brings all the other security procedures and policies into play. Once it has been determined that information should be classified, the following security measures apply: marking; physical security which includes the safes, guards, alarms, fences and warning devices; rules for guarding transmission; access, and this involves the whole super-structure of personnel security standards, personnel security investigations, and adjudications; and then the accountability, downgrading, declassification, and finally destruction of documents.

So, it is essential that classification judgments be properly made in the first instance. On the one hand, while the failure to classify properly may be detrimental to the national interest because of the

unwarranted disclosure of information, the failure to classify properly on the other hand may be harmful to the national interest in that certain information that should be in the public domain is not, or certain information is overclassified, thereby requiring protection in excess of its merits and to that extent making an unnecessary claim upon and *pro tanto* diluting our security resources.

As I see it, classification management responsibilities tend to assure that security policy personnel have their feet on the ground. In our experience, good classification management like good security, goes hand in hand with good house-keeping.

As you know, during and since World War II, we have had an information explosion, especially in science and technology, and the national need for information secrecy has continued. The demand for economy and uninhibited exchange of information has not lessened. As more and more information has been placed and been kept in secrecy, the need for application of more effective management controls has been manifest.

To meet this need, the Department of Defense Classification Management program was established in 1963. The kernel of the program is the centralization of classification management policy within the Office of the Secretary of Defense. The goals for our program are stated in its charter. In essence, they are first and foremost to assure the positive and consistent and uniform initial classifica-

tion of all official information under DoD jurisdiction which need to be safeguarded. Secondly, the goals are to achieve the avoidance of unnecessary classification and overclassification, and to reduce and eliminate classification when the need for protection currently provided has lessened or disappeared. Thirdly, the goals are to establish an appropriate means for the removal of classification from specific information which becomes a part of the public domain, either through authorized official action or through disclosures not bearing the stamp of official approval.

These goals are similar to those which have existed for many years in the defense establishment. What is new and different is the establishment of a focal point in the Office of the Secretary of Defense for efforts toward achieving these goals.

The DCM, that is the Directorate of Classification Management, has authority to communicate with all elements of the Department of Defense. It is encouraged to work directly with defense industry. The organization and allocation of responsibility of the DCM appear to us to provide what we need to develop efficient management schemes to get the overall job done.

The initial task of the DCM after it was organized was the formulation of a basic regulation to accomplish our goals. Although it was understood at the time that this regulation would apply directly to DoD components and through them to defense industry, there have been a few irregularities

which have deterred this from happening.

The basic concept employed in the regulation and instruction, which the DCM prepared, is to designate those — and this is a key element — who may exercise the authority to classify. Then it is necessary to provide classifiers with a comprehensive statement of the principles and criteria which should be of assistance to them, and thereby to establish an allocation of responsibilities within the total command structure down to the individual, and thereby establish a practical means for designating information which is classified and that which, though closely associated with other classified information, is not. The regulation anticipated some rather comprehensive reporting requirements which would provide the Directorate with a feedback of factual data essential for assessing the effectiveness of the management effort. In the course of working this out, we found that additional surveys and studies would have to be made before firm requirements could be established in this area of reports, and since December of 1964 we have moved in this general direction.

At the present time, a month-long test is being conducted in the Office of the Secretary of Defense to see what can be done to reduce the volume of classified documents in the category of top secret. We hope at the conclusion of this exercise to have some data which will provide a measure of what might be done on a broader basis throughout the entire Department.

Further, during August another feasibility test will be conducted in a major field installation which is designed to furnish data from which we can evaluate practicality, usefulness, and the cost of using certain reporting procedures. It has always astounded me how much it costs to get reports. We realize that, if we're going to get reports on the volume and current generation of classified information, we may be really aggravating the situation rather than obtaining the kind of information we want. That is why we're going through this exercise to determine what it would cost in a major installation to get the kind of management information we think essential to assess the effectiveness of the program.

As you know, classification management is a composite of two principal kinds of activity, the judgment process and the management aspect. We think we have made some headway in the judgment area in developing this instruction. We know as a matter of experience that those who apply the standards contained in these instructions are finding classification determinations are somewhat easier to make than previously. They have learned that by identifying the specific information that appears to require classification and evaluating the specific reasons why classification appears to be necessary, the problem is reduced to manageable proportions and a rational basis for classification decisions is reached with some facility.

This wasn't an easy thing to do.

The real key to the program was obtaining authority to require paragraph markings. This looked like a big chore to just about everybody who was asked to comment on it. But we realized that in the absence of paragraph marking we weren't going to get the kind of disciplined step-by-step analysis and evaluation that is essential in making accurate classification determinations. So, we did obtain the authority to require paragraph-by-paragraph marking, and I believe that, as time goes on, experience will indicate that it is a very valued adjunct, essential to the entire program.

We realize that there is much more to be done. We must make progress providing some standardization to the classification guidance. As Mr. MacClain has mentioned, we have been making field trips to acquire a wider range of information than has heretofore been available. Among other things, we notice that there is a great necessity for closer working relationships between industry and the government, and we must open these channels of communication so that we can each benefit from the other's views of the situation.

These are very practical situations, and in the absence of having a clear two-way street, the difficulties are apt to be compounded. Both government and industry need to examine from a management standpoint the feasibility of providing guidance, not only with respect to the purposes of the specific contract, but, as Mr. Nichols mentioned earlier, for the

purpose of a larger program so that we have a comprehensive and consistent body of classification guidance for particular programs, rather than doing it on a contract-by-contract basis which inherently creates the possibility of a great deal of inconsistency. I know the DCM is working hard on these problems and we certainly welcome any views you would care to make individually, by companies, or for the society.

In the course of making field trips, I was gratified to observe first-hand the active interest of high-level management in industry and the existence of systems which they have established in their own facilities to promote proper classification determinations and, moreover, good management of the classified inventory. As I mentioned, we welcome constructive criticism and suggestions for improvement, and learning of your specific problems which appear to need our attention.

In conclusion, I wish to express my sincere wish for the complete success of your first seminar and hope that the rewards for all of the participants will be rich and be communicated to others who are not able to be here.

**MacClain** Thank you, Mr. Skallerup, for your expression of great interest in classification management. As the DoD official who put it into being and who every day wants to know how it is doing, your ideas about it are of the keenest interest to us.

I must confess that in my introduction, I made Mr. Skallerup a

lawyer without giving him a law degree. That was an unforgiveable oversight because the university from which he received his degree competes strongly with mine. I wouldn't want him to think that the omission was deliberate. He's a lawyer from Yale.

Our next speaker is Mr. Jack Howard, known to many of you as a real specialist in the field of nuclear weapons. His official position is that of Special Assistant to the Secretary of Defense on Atomic Energy matters. He has a wealth of experience in this field and will talk to us from the vantage point of that specialty.

Mr. Howard was born in Nebraska, and schooled in New Mexico. He obtained his Bachelor of Science degree in Mechanical Engineering at the New Mexico State University. He did graduate work in mathematics and mechanical engineering at the University of New Mexico. During World War II, he enlisted in the Army—the infantry. He was sent to OCS and commissioned an officer, after which he served with distinction in Europe and the Philippines. He was wounded and spent considerable time recuperating, but he brought home with him the Bronze Star for Valor, the Purple Heart, and the Combat Infantry Badge. He emerged from the war situation as a captain.

In 1946, Mr. Howard went to work with the Los Alamos Scientific Laboratory. He was assigned to the Engineering Division at Sandia Base, which later became the Sandia Corporation. At that time, he was engaged primarily

in research and engineering, and in nuclear weapon effects projects. He played a very important role in the instrumentation direction of the nuclear tests in the Pacific and in Nevada.

After ten years in those surroundings, he transferred to become the head of the nucleus of the newly established Sandia Livermore Laboratory. Shortly thereafter he became the Director of Weapons Systems Development here. He became intimately associated with management problems, and instituted a new management concept which is reputed to have helped furnish the completed Polaris warhead nearly two years ahead of schedule. We can see how easily Mr. Howard is identified with our present posture as a strong nation.

In November, 1963, the Secretary of Defense appointed Mr. Howard to be his Assistant in Atomic Energy matters. It gives me a great deal of pleasure to present to you Mr. Howard.

#### **W. Jack Howard**

Thank you very much, Mr. Chairman, Mr. Moderator, and ladies and gentlemen. I consider it a real opportunity to talk to a group of professional classifiers, but I feel a bit like an interloper because I'm not one—I have, as many of you know, a good deal of prejudice on the subject, so that's what you'll really be exposed to today.

The final responsibility for protecting classified information, after all, really lies with the individuals who have access to it. However,

improved techniques in classification management can contribute, I think, in a very material way to the objective of protecting classified information. First, by clarifying, then by simplifying, and finally by emphasizing and achieving a sense of discipline in the mind of the individual, to make him aware of what the responsibility is.

One of the greatest threats to adequate protection of information is the accumulation of improperly classified or overclassified information as a result of failure or reluctance to downgrade or declassify as the status of that information changes. The existence of a large bulk of information too highly or unnecessarily classified increases the administrative effort which is necessary to manage any program, limits the stimulation of research and investigation which comes from the freest possible exchange of ideas, and finally and most dangerously, I think, it erodes the respect for the importance of protecting information. It is obvious when we are protecting things that are not really important, and it's hard for many individuals to believe that our classification management program really makes sense.

Fortunately, now, there's a continuous pressure from within to downgrade or to declassify. The pressure comes from administrators and managers who want to simplify their own program, and from the scientists and engineers who desire to exchange and publish, and so they would like to

see a free exchange of information. Classification management procedures should be designed to encourage the normal and usually desirable effects of downgrading or declassifying information. In this connection, I would like to mention some changes in the protection policy for nuclear information which are now under consideration.

This new policy would, on the one hand, provide tighter control of the nuclear design data which would assist another nation in becoming a nuclear power, and that is of considerable interest to our government. But, on the other hand, it could transclassify user-required information to Formerly Restricted Data or even to Defense Information. Therefore, we might be able to expect better control of design information which is retained in the Restricted Data category and streamline the handling of less sensitive material. Specifically, the proposal would transclassify, as permitted by the 1954 amendment to the Atomic Energy Act, all material which is now identified as RD but which primarily concerns utilization. It would be transclassified to the FRD category. Enough information would be transclassified into FRD to permit the military user to accomplish his job. The nuclear design data will remain as Restricted Data and could become subject to access controls similar to that which DoD now provides to stockpile numbers through Categories 7 and 10. Stockpile information, although protected in a manner appropriate to its classi-

fication, will be removed from any special handling.

With a few exceptions, the laws and directives concerning the protection of nuclear information exist pretty much as they appeared at the end of World War II. Modifications have been approved to permit certain foreign access, to protect new technologies, and update specific details. But a lot of the basic principles either are becoming or already have become archaic. The maintenance of a special access list is the manner in which we protect stockpile data in the DoD. It is my understanding that AEC also has special sigma categories for access to stockpile information. In 1953, DoD put these controls on, which are now called Categories 7 and 10. At that time the country had just a limited number of stockpile weapons and only a few storage sites. Any document which conveys stockpile information is required to have blank spaces, and then there is a special key, a separate top secret document, that goes along to provide the fill-in numbers.

However, in obvious contradiction to these procedures, some indication of our nuclear strength has become a very important ingredient in our deterrent posture. We have properly established the fact for the world and for the Russians, that we own sufficient weapons to strike a devastating counter blow in case anyone should be encouraged to attack this country.

But this situation, awkward and undesirable as it is for our own

purposes, is rapidly reaching crisis proportions with regard to NATO. War plans acceptable to the member nations and disseminated to the extent necessary to permit an attainment of a requisite military capability, are contingent on a broad understanding of our NATO nuclear strength and with rapid updating these figures as to forces are kept modern. You will recall that Mr. McNamara recently proposed to the North Atlantic Council that there be a special group assembled to permit cooperative planning in the use of atomic weapons. Transclassification, or reduced classification levels, for control of stockpile information seems worthy of re-analysis in the context of today's world situation.

The 1965 stockpile results from the accumulation of several years of AEC production efforts, and is affected as much by the number of weapons annually retired by the Defense Department as it is by the new weapons that are put in by AEC current annual production. Therefore, maximum production rates can't be deduced from the present size of the stockpile. The President and the AEC have announced recently, as a matter of fact, that there have been cutbacks in the production of nuclear material. So the argument can perhaps logically be advanced that the protection of stockpile numbers is no longer in need of all the special controls that once were appropriate.

Now I suggested that there might be a need for improvement in control of design data. In the years following World War II, the

users of atomic weapons had to have access to rather complete design information since the final preparation and testing conducted by the military involved, very often, the innermost details of the weapon. You will recall the responsibility that was carried out by Admiral Parsons who flew on the mission from Tinian, and effected the final assembly of the weapon after it was in the air approaching the target. Modern weapons require no such special attention by the user. So we have an opportunity which we have not previously had, to avoid the dissemination of design data to user forces. Accidental disclosure of design data becomes obviously less likely, simply by shortening the intelligence perimeter for the information. The probabilities of proliferation of the nuclear technology to other countries is lessened.

In summary, let me argue that a classification system becomes unreal and prejudicial to its own efficiency if too much material is involved. The originators, particularly scientists, have a natural pressure to keep the maximum allowable amount of material out of the classified categories. However, especially as time elapses, and habits become familiar, it will likely be left to classification management personnel to cleanse the files of material whose classification is based on obsolescent considerations. Aggressive examination of the classification policies will limit the size of the body of classified material and in the process improve the security of what remains.



**MacClain** Thank you very much, Mr. Howard, for your comments on a subject of direct interest to many of us here, and for the general expression that reduction in the size of the inventory of classified information is life blood to good classification management.

The kernel of what I understood Mr. Howard to say is that if we will abolish a status quo attitude (if there is one) and look at changing situations as a result of advance in the state of the art, and then reduce what remains to that which really has to be protected, we will have done a great deal. I have no doubt of this at all. In fact, the only reason why classification management does not deal more rapidly with the inventory is that we don't yet know how. As one stops to think of the cost of trying to deal with the inventory which nobody is using, one wonders whether that is a good way to spend money. So, we appreciate any suggestions, such as the one just made by Mr. Howard.

We have had the opportunity now for about an hour to hear the views of a university professor who teaches government, public administration, international relations, and the release of government information to the public in various ways. We have heard the views of a business man who administers a large and very active company and who says that classification management can have a big payoff in industry. We have heard the official who is responsible to the Secretary of Defense for managing this whole business in the Department of Defense de-

scribe classification management as one of the best and most needed innovations in the information security program. We have heard an expert in the nuclear field discuss some aspects of classification management as applied to that field. I am sure that you must have many questions and you are invited to present them. I think the best procedure will be for you to raise your hand, identifying yourself, and name the person to whom you wish to address your question. I will recognize you.

**Jim Langford, NASA** I have a question for Mr. Nichols. I found your advocacy of a contract in the security area an interesting one. I have two questions. First, would you propose that such a contract be carried out by a company in the aerospace area or rather one in the research area like Rand or Brookings; and second, would you propose that such a contract only concern itself with classification management or the broad spectrum of security?

**Nichols** I would propose that the study be assigned to an industrial company rather than to a non-profit organization in order that it have the flavor of the real problem. I would like to see it narrowed to classification management first because I think that is our most serious problem.

**Langford** It is your view, Mr. Nichols, that if the management features of classification are placed in order, that many of the other problems would automatically be-

come resolved?

**Nichols** Well, I have great concern about the definition and the guidelines under which we are operating. I think the whole area needs to be studied carefully from industry standpoint because I am convinced (and I realize that this is a generalization) that we could reduce that bulk by 50%, and not jeopardize the security. If we could, there is a lot of cost saving that could be generated there.

**MacClain** Would someone else like to ask a question now of Mr. Nichols or anyone else here? Yes, in the background please.

**Bruno Ozimek** I quite agree that the numbering of paragraphs is a big help for recipients of messages in responding. However, many people originating such documents of necessity feel that they must mark a particular paragraph as classified when they really mean that the composite message is classified. It still makes it difficult for the action agency to know exactly what the originator wants to protect.

**MacClain** Was your question addressed to Mr. Skallerup?

**Ozimek** Yes, because he mentioned the marking of individual paragraphs. I quite agree that it is an improvement, but it isn't a total answer. Could there possibly be another way that the originator could indicate that the total composite of the message is classified? Could there be some method of

identifying that the total message is classified rather than that individual paragraphs?

**Skallerup** I believe that we have such a technique as that available, which would permit individual paragraphs to be marked unclassified when they are classified only as they appear in their totality. They would have appropriate classification as long as they are in their totality. You may be raising questions with respect to what strikes me as a very technical area, namely, the business of transmitting messages. And there may be some practical problems involved in doing this that I am not at all acquainted with. But we have a technique and I believe it would be worth your while to explore using it within the framework of your own activities. Of course, again, if you wish to participate with us in making this kind of exploration, we will be glad to work with you.

**Robert Niles** My question is addressed to Mr. Skallerup in connection with this paragraph classification. Recently, with new instructions coming out, we have succeeded in getting the definition of document further subdivided into technical reports. I would like to submit that we have reports, research reports, weapons effects reports, in which this paragraph by paragraph classification does not apply, or should not be mandatory, because of many problems it brings up. This paragraph-by-paragraph classification is very good for messages, documents,

and for letters we have no problems, until we get to a two-to-three hundred page weapons effects research report or weapons effects reports themselves. One thing at present is that we do not have a standard format — when is a paragraph a paragraph, or when isn't it. What I would like to submit for your comment, sir, is, could we not have some sort of relief for these reports? It is sort of a comment rather than a question or a proposal.

**Skallerup** Well, it is a worthwhile proposal. At the time we prepared the instruction or regulation, we recognized that experience would indicate where changes would have to be made. In this particular area, namely scientific reports, and reports of this kind, we recognize that there might be a more desirable way of handling it, and I would say that not only with respect to scientific reports of the kind you describe, but any other situation where you find that the provisions just don't make sense, it is incumbent on you to bring this to our attention so that we can look into the matter and make appropriate adjustments.

If you have a case of this kind irrespective of what field it is in, don't hide your light under a bushel; bring it out and we will be glad to do something about it on its merits.

**MacClain** Mr. Garrett would you care to comment on it?

**Garrett** Well, I would like to add a brief comment which

I think is one for clarification only. The requirement for paragraph marking today is popularly referred to as a requirement for paragraph marking but as a matter of fact, there are three alternate choices to accomplish this result. Bear in mind that the real need to be served here is to identify the classified part of a document which contains unclassified material, as well as to avoid what has always been a problem, namely, an overall classification of the document which requires its recipient to treat every word in it as if it were classified. The alternatives which are provided are partly tailored because of the special problems incident to scientific and technical reports. These alternatives are: First and best, if you can, mark paragraphs. Secondly, either append to the document a classification guide which explains in some form of language the sensitive information which is contained in this document and needs to be protected; and, thirdly, supply an explanation.

**MacClain** What is the third alternative, Don? Those are two and there is a third one: to put in the document the areas of information which are classified.

**Garrett** Well, that is roughly what I said. It is a guide in two different forms, but it is not a paragraph by paragraph marking. It serves the same purpose. And, of course, in saying this I am not retracting at all the wishes on the part of DCM to have a submission in writing of any proposal that you

wish to submit.

**MacClain** The man in the background . . . and then Mr. Rushing.

**Jim Dentel, Cornell Aero Laboratories** I may be showing my ignorance, but, Mr. Skallerup, do all reports have to be marked by paragraph as to classification, or just special contracts? I have seen both quite recently and what is the regulation?

**MacClain** I will answer that at Mr. Skallerup's suggestion . . . The DoD Directive 5210.47 which is applicable across the Department of Defense everywhere and which is applicable through service implementation to industry, does not say that you need not mark a particular kind but that you must mark another kind of document. All documents, whatever their nature, must be treated by paragraph marking or by an included statement to describe the information that is being protected so that the person receiving that document will know what is classified and what is not. There is no exception for specific categories of documents. Not today, anyway. Now Mr. Rushing had a question.

**Rushing** This has not been implemented in industry yet, is this correct?

**MacClain** It is rapidly reaching that point. For example, yesterday when I returned momentarily to the office, I found the Army, I believe it was, had published a document which implements the DoD instruction. The implementation of

this concept will occur through a combination of the procuring military department in conjunction with the Defense Contract Administrative Services activities. And as you know or will know, the Industrial Security Manual, which directly applies to industry, has been revised in draft to reflect these things.

**Rushing** I would like to say that based upon our company's experience and five years of really active participation in classification of documents, we have reached the point in which we feel that in the correspondence, the weekly activity reports, the TWX's, we can certainly identify paragraphs with no problem. However, I will have to side with Mr. Niles' statement that we do find that the time and the education and complexity involved in attempting to classify technical reports by paragraph are considerable, and one is apt to end up "tangled up in his own underwear." Now, this is just about the way it is. However, we do find that it is very practical to classify by section or chapter. Generally, this type of report lends itself in subject matter to chapters. We also find it very easy to classify individual illustrations or charts because they, in effect, can become individual documents themselves. I would anticipate that if you impose this upon our company we are going to need about six more classifiers. That is the end result.

**MacClain** It is interesting to have your observation. The extent of your admission of wherein you find

it is practical to classify specifically as against non-specifically is interesting. There is some hard work involved and maybe some expense involved. There may be some education involved, but the payoff eventually is going to be very good. It was brought out yesterday that the bulk of the classified information that affects industry is derivative classification, not original classification. That is where this thing has its greatest payoff. So agreeing with you that we face an educational and hard work program with some cost added, we must at least experiment with the idea and do our best with it. I think Mr. Maines and Mr. Boberg have questions.

**Maines** I would like to make a comment, George, and then ask Mr. Nichols a question. I agree with Bob Rushing that in a development report and those types, you can classify a page or a paragraph without any great problem. You are down the road to the point that you know what is classified. If it is the command code, if it is the design of a propeller blade — that is no problem. But on a research report of 100 pages or 200 pages there is no one page, or two pages or four pages that mean anything by themselves. The totality of the report makes it impossible to classify it by paragraph or even by page.

Now, a question in regard to this vast number of documents that seem to exist in industry. With modern reproduction techniques and microfilm, isn't it possible to throw away about 90 percent of the

documents you have hanging around in industry? Make a big bonfire. If you need the darn things get another copy later, from some central source.

**Boberg** We are talking about the end of the contract, maybe? We are subject, as some of you may have noticed from the newspapers, to audits by the General Accounting Office and so we are somewhat reluctant, upon the conclusion of the contract, to throw away our documents. They have a habit of coming about three years behind. We've had some bonfires in our plant that have been very productive and we plan to have more of them and we encourage it. It's always a problem of judgment. People by nature are string-savers. We're trying to eliminate that. I think there's much in what you have to say.

**Maines** In our agency, although we have a central library that has every document that's ever been generated, I suppose, by NASA, DoD and AEC and everybody else, we've also got a lot of pack-rats. We've got people that have their offices full of documents just because they don't want to go around the corner to the library. It seems to me that that's a great deal of the problem in this excessive document business. Not the classification aspects so much as it is that people by nature are pack rats.

**MacClain** I would like to add to your comment, Howard, that in the little trip that I made recently I discovered that industrial facilities

are doing something to reach the objective that you're speaking about: they're forcing inventories upon those within the facility and forcing a showing of need to retain, and forcing a destruction program of what cannot be justified for retention. This is good classification management, and it is taking place. But, of course, it has not reached everywhere. Is there anybody on the panel who would like to comment any further on that particular point? Do you, on that point, Commander?

**Richardson** Well, Mr. Nichols, a technique that might be useful for other industrial activities would be one that we've observed in some of our contractors recently, and it may prove useful for Lockheed, in their half-acre of classified documents. At the conclusion of a contract, a contractor is required to get authorization from a contract-officer for retention and at the same time ask him if these documents are still classified. We welcome this and we find that in over 90 percent of the cases, a vast amount of the contractual documents that you have to file in these expensive safes can be declassified. And this is where you're going to save some money.

**MacClain** I think that I promised Dick Boberg the next opportunity, so, Dick —

**Boberg** Thank you, George. I think, perhaps we're already headlong into the issue I wanted to get into here. That was document reduction. I was specifically inter-

ested in what comments we might obtain, particularly from Mr. Nichols, or any suggestions as to what other tools we in industry might obtain from you folks on the government side regarding classified document reduction. We now have automatic time-phased down-grading systems; we have the ability to downgrade based on lowered requirements; certainly we have the ability to destroy (as Howard points out) a number of other things of that nature. I wonder what suggestions might be made, what tools might be used, for a classification management program for reduction of these things. There is the economic factor of which we're all aware. We all want to do this. Mr. Nichols earlier commented that there are certain reasons why we in industry can not always destroy what we might want to destroy in a timely fashion. We do have string-savers, we're all aware of that. I wonder what comment we might get either from the panel, Mr. Nichols, or the group in general, for further tools that we might use in this area.

**Nichols** I have one comment. Give industry a contract so we can come back with recommendations.

**MacClain** The time is rapidly coming to a close here, and I wonder if there isn't somebody who would like to pose a question for either Mr. Howard or Dr. Plischke. Don Woodbridge?

**Woodbridge** I would like to ask Mr. Howard if he has a timetable in mind for bringing about the trans-classification and recommendations he discussed?

**Howard** CG-W-2 (revision of the nuclear weapons classification guide) has been up for grabs for, I guess, several months, and the DoD stopped work on it while we addressed this particular proposition. We have now, just this week as a matter of fact, decided to go back to work on the proposed classification guide, and we're going to go through it and mark those portions which we think should be FRD instead of RD. I won't hazard a guess on how long that will take. But as soon as we send it back to AEC — I would think that would probably get the thing started. In addition, I've talked to the Joint Committee staff two or three times recently and will send them a formal proposal on paper so that it can be evaluated. I would guess, therefore, that it's weeks away. I hope it's not months. It certainly won't be days.

**MacClain** Thank you, Mr. Howard. Is there a question now for either Mr. Howard or Dr. Plischke? In the background over there.

**William R. Heflin, Army Missile Command** I share the comments of these gentlemen about the accumulation of documents. Not only do I recognize that the first and fastest saving would be in eliminating or reducing these holdings, but we should avoid the possibility of the same information being resurrected. I think as a matter of information, to the question of what can industry do now to reduce these holdings — they may find that they are retaining for GAO or other inquiries

duplicates of documents that the contracting officer or the Army Finance Center or some other federal agency is likewise holding. When they terminate a contract, they could verify what documentation they desire to hold and they may already be retained and available. My question for Dr. Plischke is in this research that he has done and in his own activities, has he found a number of cases where information is available to the public or available to him that continues to be protected and classified? What benefit does he feel this information might be in backtracking to these classified documents to make this known so that the documents can be reviewed for downgrading or declassification?

**Plischke** In the field of diplomacy, which is an area in which I have had some experience, I found very often documents would be classified rather than the information they contained, and consequently in doing some of the work I did with the High Commission, I find that there is some information I'd like to use but I can't use. It's a classified document in the sense that I cannot identify my source as the classified document. So, I then proceed to get the information orally from someone and use that as my source even though the document remains classified. I think that this is a typical device that's used by historians and researchers rather than facing up to the necessity of getting the document declassified. I've also learned that the higher up you are, often the freer you may be in the re-

vealing of information which is classified in documents. I was amazed by this, for example, when General Eisenhower's *Crusade in Europe* was published. He was citing specifically documents which anyone else at a lower level in the military service just could not have cited. Nor could the historian have cited them because he wouldn't have access to them unless he had some kind of clearance. You find this true, I think, in the public forum. The President would say something in a press conference which horrifies people in the agency because they know that information has been highly classified. Or the Secretary of Defense will do this when members of the Defense Department are not free to reveal the same information. Is it because these people are under pressure, press conference, whatever it might be — to do this? Or on the other hand, maybe the decision is made that this information should be revealed, for specific purposes. I'm not sure if this satisfies you, but one could go on and discuss all kinds of illustrations.

**Heflin** It doesn't satisfy me, but I'm afraid it's the kind of answer I expected. The thing that concerns me the most is that part of my job is to see that contractors and government agencies that are making inquiries about classification on missile command information get answers. My boss wants to know when I don't get them an answer. The thing that disturbs me from much of this discussion here is that apparently we're wander-

ing around in a cloud of doubt and confusion and nobody is getting an answer.

**Plischke** Well, I must confess I'm really not competent in helping you with your specific problem. We're all aware of the fact that there is confusion concerning classification. Let us say the same information may be classified differently in the different agencies, or different forms.

**MacClain** I think I can accept only one more question because I know these busy gentlemen who have come here this morning have scheduled the rest of their day in terms of an ending time. So, Major Chaplin, do you have one further question?

**Duncan Chaplin, USMC, ONI.** I have a question for Mr. Howard. My question, sir, is what is the role — and where does this role get performed — of the classification manager in the decision-making process?

**Howard** The decision-making process seems to be the area where the executive is confronted with a program or a project package that involves decisions about dollars, personnel, time frame factors, correlation of this into the President's budget. Now, where do the classification management people come into this process?

Well, for one thing, the classification management people, I think, have an obligation to their own home area to be as knowledgeable as they can be in all the facets that



are involved in the classification. They will assist because they'll be asked to, in the determination of the original classification of any document. There'll be questions of policy raised, and they will see that the proper source is contacted so that the questions will be answered. But what I was really arguing, I think — and the burden of my suggestion is — that the classification management people are the ones who are going to be responsible for looking at what's already classified to see if the ground rules have changed since the original classification was made. Because the executive, or the original classifier, may have lost interest; he doesn't care anymore. He's not going to go back and say, "my, the situation is now changed, and that material could be declassified."

**MacClain** I am sorry that our time has run out. On behalf of all who are here in the seminar — Dr. Plischke, Mr. Nichols, Mr. Skallerup, Mr. Howard, we thank you and we deeply appreciate your contribution and especially your taking of the time to come and appear before us.

I now turn the meeting back to Dick Durham.

**Durham** Our next speaker will try to broaden what we discussed for the last day and a half and will come into the international aspects of classification management. Mr. Adrian S. Fisher is well qualified to discuss the international aspects of classification management because he began his

service in the executive branch of government in 1941. He has served as the legal advisor to the Department of State, solicitor to the Department of Commerce, and General Counsel of the Atomic Energy Commission. Before that, he was the Assistant Executive Officer to John McCloy, when Mr. McCloy was Assistant Secretary of War. Later he became deputy to Mr. McCloy and Mr. McCloy became the Disarmament Advisor under President Kennedy. Mr. Fisher now is the Deputy Director of the U.S. Arms Control and Disarmament Agency.

Mr. Fisher has practiced law and has been Vice President and General Counsel of the Washington Post. He was Professor of International Law at Georgetown where his course was as famous for the professor's wit and humor as for his ability to explain international law. Currently he is chief reporter for the American Law Institute and in a sense is dean of scholars in the International Law field. It gives me great pleasure to introduce to you the Honorable Adrian S. Fisher, Deputy Director of the U.S. Arms Control and Disarmament Agency.

**Adrian S. Fisher**

Thank you very much, Dick, for that extremely kind introduction. I know it's always one of the afflictions of people to look embarrassed when their introductions are being read. It's sort of one of the hypocrisies of life in the government. I say one of the hypocrisies of life because you almost invariably supply the information

yourself. On the other hand, when it goes through I can't help but think that I could have saved you some time if somewhere back, far along back there, I had acquired the ability to hold one job for any period of time.

Before starting on my talk I'd like to give a story about titles of talks involving the governor of Tennessee, who was running for a re-election. He developed the technique of campaigning from the rear platform of a caboose. I think he got it from reading Andy Gump in the comics in about 1923. But it was a good technique and it had two advantages: it made it easier for him to get around, and second, he worked out a deal with the conductor of the train whereby when he finished his speech the train would immediately depart. That made for a very dramatic departure, and made it rather hard to ask him questions. So that worked pretty well. The only trouble was that in those days they didn't have much in the way of wire services, and the old boy gave the same speech every time, and that got a little hard on the train crew sitting around listening. So the crew got in the habit — bad habit as it turned out (you know how bad habits in any form of management creep up on you) — of disappearing and then coming back in about an hour and saying, "Well, the old boy has got about a half hour to go and we'll be ready when he finishes." One day he fooled them and cut the speech short — he cut it down, I guess, to one hour and ten minutes and by the time they got back he had just finished the

speech, and he looked at the audience and the audience looked at him. This absolutely paralyzed the governor, but then he went on. He said finally, "Ladies and gentlemen, there is one last question in this campaign, and I don't care how you stand on this question, but I won't consider you a qualified voter or for that matter even a fellow Tennessean unless you wrassle with it like Jacob and the angel. That question is . . ." and just at that point the crew realized that they had goofed and the train went off — the question unasked and unanswered. Well, this on the whole, wasn't the day's best performance (you know as things go — as management goes, he wasn't doing too well) so the crew came and the conductor apologized and said, "Governor, I'm terribly embarrassed about this, I really am." The governor said, "That's nothing, this sort of thing happens all the time." But the conductor said, "I'm not only embarrassed, I'm disappointed. You know I'm interested in this campaign and I want to know what the question is." The governor looked at him and said, "Young fellow, I hadn't quite made up my mind!"

Now, since Dick has heard me tell this story before, he didn't take any chances with me, and the title for my speech is "International Aspects of Classification Management." When I looked to see what I was going to be talking about, I looked at President Rushing's definition of classification management and I would like to use this as a starter for my speech. "In its broad sense, classification manage-

ment encompasses the systems for identifying and managing information that requires protection in the national interest."

If anyone were to retain me as a public relations advisor (which no one ever has) I would recommend only one slight change. I would say "systems for identifying and *protecting* information that requires protection in the national interest," because I have detected a certain allergy in the case of my former clients (namely in the newspaper business) to anything where the words "management" and "information" are in the same sentence. But no one objects to protecting, and this, I think, is a fine statement of a worthy purpose. Now, I could not advise you as to how you can better handle the problems that you have to deal with within the framework of the regulations that have been developed to handle them. Had I been on the panel before, I would have been trying to stay out of sight, because if anyone had asked me a question, I would have been a conspicuous failure in answering it. The reason I am confessing this — unmasking myself in advance — is that I see at least five people in the room who are capable of unmasking me if I didn't. I do have some thoughts on the classification system, looked at over a period of time, and some thoughts as to some problems that I see ahead, particularly in the international field.

There is one little bit of retrospect which I hope I can do with more than usual accuracy. Someone said, "The past wasn't that good — it's good because it isn't

here." I've always felt that the most important thing about a classification management system — along with these objectives that I thoroughly subscribe to — is that it must be accepted as a part of the integral processes of U.S. government and U.S. civilization. My first impact with it was when, as General Counsel of the U.S. Atomic Energy Commission, I first encountered the problem of protecting Restricted Data.

You've dealt with the problem of inter-executive communications — it's obviously important to you. You've dealt with the problems of records control. I found strangely enough in the first instance, two problems. The problems of handling industrial injuries, and, in the most acute possible phase, the problem of a jury trial for a suspected crime. Now, how do we protect our classification management system — how do we protect it and at the same time make it a part of and not a competitor to other values that we hold dear? Well, as George Murphy will recall, Tennessee (I shouldn't speak this ill of my native state) used to have a pretty obsolete industrial injury technique for handling the problems of industrial injuries. We didn't have a really worthwhile workman's compensation. There had to be a trial for every one of them. There had to be a public trial, and that got us into problems when people began to apply for public trials claiming industrial injuries that had taken place in Oak Ridge. This involved getting evidence into the public trial as to what the industrial process was. We ended up

bothering the U.S. Attorney by sending him down there when we got into the area of Restricted Data — just to stand up and say, "I think this thing is going about far enough," and this ended up with some form of compensative legislation which we duly bucked over to the Joint Committee.

We had another one in which we really had to do our best. We had a man who, unfortunately, was a Manhattan District employee, who, when he was discharged from the service at Los Alamos, did what many people who have been discharged from the service have done: he took with him a few mementos of his service. This was not the ordinary case of a discharged GI taking a few mementos from the service. The memento that he took with him from the service was a picture of a bomb (which on the whole was something the Government took a rather dim view of).

They duly brought charges against him, on the grounds of removing government property without authorization.

He had taken a very valuable piece of government property. Now, the U.S. Attorney came to us and said, "Unless you don't care about a conviction in this case, you've got to permit me in some way to indicate that this isn't just another piece of blank photographic paper. Everyone knows they wouldn't prosecute a departing GI for that." Therefore, we had to give some indication that this was an important piece of paper — it had something on it that made it worthwhile to prosecute — that

there was something really wrong in what he had done. Otherwise we would not have had a chance in a jury trial. So, in consultation, the AEC security people worked up a rather elaborate arrangement for handling the photograph. The Commission was not faced with the problem of declassifying this photograph. I think photographs of this kind have been declassified since then but at that time they were unwilling (this was 1948) to declassify the photograph. Nevertheless you couldn't very well say that you were prosecuting this man for a mere piece of paper that meant a serious breach of security. So, we worked out this large photograph, the picture of the bomb. We put a zipper on it and zipped over the portion containing the Restricted Data. We obtained Commission authorization to show it to the defendant since it was taken from his possession. Without his knowledge we ran a check to satisfy ourselves as to the character of the defense counselor. The prosecuting attorney was duly cleared through regular procedures. The case went as follows: The policeman who picked up the document was put on the stand, he was given the document to identify, unzipped the cover and looked at the photograph — "Yep! This is it." This was duly shown to the defendant and he was permitted to look at it. His counsel at this stage was not, although we had authority to do it. Then we put on an AEC security officer who, in turn, unzipped the cover, looked at the picture, covered it over again, and he identified the nature of what was on the photo-

graph. At this stage of the game the defense counsel was getting a little nervous. He called for a conference in the judge's chambers and asked if he could examine the picture. The U.S. Attorney and an attorney from the Commission's staff went to one end of the room. The judge duly uncovered the picture and as the defense counsel began to approach said, "Now, if information about this picture gets out, you'll be responsible," and the judge read him a few happy provisions in the Atomic Energy Act of 1946 that make it sound like a fairly serious thing — of course it is a fairly serious thing. The defense counsel realized that he could have the information but he said, "I don't think I'm going to exercise this privilege." The document was duly covered. The defendant pleaded guilty. A crisis was passed.

I'm not utilizing this story just to tell you the story of my life — or even as a rather exciting incident of 1948, but to indicate that we felt two things had to be done. The security system had to be the servant and not the obstacle of the total national security. We also felt it was very important that we not take advantage of the existence of the security requirements to set up sort of a secret tribunal and to start pecking or kicking away at the basic assumptions of a fair trial. Now, I am going to extrapolate from that and go a long way from what I was not supposed to be talking about to what I am supposed to be talking about. That is, how this applies to the present international situation.

I don't need to tell you that the

present international situation of a confrontation between ourselves and the Russians is rather hopeful but not terribly successful. I mean the people engaged in it are hopeful or they wouldn't stay there. Attempts are being made to work out some form of arrangement with our principal adversary, our principal strong adversary, alternative to an arms race that threatens to mount and get more dangerous every year.

Now, before going on to that I want to destroy any illusions that I am opposed to the present balance of terror. I am all for what Mr. Churchill called balance of terror. We've got a somewhat more elaborate word for it (we develop our own jargon at Arms Control); we call it the stabilized deterrent. It means the same thing — I'm all for it — it's infinitely better than an imbalance against us. I mean these boys who say "better red than dead" have only one point in their favor. If we unilaterally disarm we might be "red" or we might be "dead" and "red" both. So, I am very happy at the existence of our deterrent. But on the other hand, you've read Secretary McNamara's observation that we calculate that in the event we struck first, there'd be 40% civilian casualties on the other side and maybe only 35% on this side, and when you speak in terms of casualties ranging in this country from 80 million to a hundred and ten million civilians, you realize while the balance of terror — the stabilized deterrent — is a good thing, you might try to work out something a little better. The present

arrangement reminds me a little bit of enforcing a rule against smoking by having open cans of gasoline lying around. That's all right — it'll work. Those of you who used to fly the C-87 (that was the cargo equivalent of the B-24) remember they had a horrible gas transfer system. Every time you got in one of the things you'd be aware of the odor of gasoline. You'd be surprised how the rule against no smoking was enforced in those planes. Of course, in some cases it blew up anyway. But still the smoking was prohibited. One conclusion that you came to was that you might try to work out something a little bit better.

Now, when we argue with the Soviets — here again I'll go back to Arms Control jargon. Part of this jargon comes from the physical scientists. They got into this business earlier and they brought their vocabulary with them and tried to extrapolate physical, scientific, or mathematical terms to fit a political situation. One of the terms we use is "symmetries of our situation and asymmetries of our situation." This is a very complicated mathematical concept and those of you who have gotten through — I guess it's first year of college mathematics — will know a line is symmetrical with respect to an axis — it's the same on both sides. So symmetry means we look at things the same way and asymmetry means we don't look at things the same way. But the use of the terms symmetries and asymmetries helps; it keeps outsiders at a distance and sometimes makes

people nervous about asking questions that otherwise might be embarrassing.

What is the principal symmetry and asymmetry of our situation with respect to the Soviet Union? To get right down to it, it's the existence of the free versus the non-free society. To a degree, it seems to me that your job is, in part — say only in part — to help reduce these asymmetries. To that extent — although this may come as a great surprise to you — you and we are just natural born allies. Let me analyze those asymmetries of the free society versus the non-free society. I am not suggesting that we can ever hope to beat the Russians at their own game by imitating them, and when I say that you and I are allies, I'm not suggesting that we're allies in that regard because we can't do it. We are a free society and we only guard information as required to stay free. It seems to me that intelligent protection of information in the national interest is an essential part of that.

Now, about that, the Russians are probably somewhat baffled by some of the things they read. You know, they read trade magazines, they get descriptions of where missile bases are, and if they go into a five and ten cent store and pick up a model of a Polaris submarine, they probably think we're kidding them. They can't imagine that we could do that and not have it a fake. But the basic fact of the matter is we are probably less asymmetrical than we would be if you gentlemen were not working to control this sort of technical in-

formation that requires control and protection from the point of view of national security. In other words, probably because of the whole nature of our economy and our society, we give them more in this area than they will ever give us. But we have to keep it down to the minimum consistent with our work. Our work means a free society and this what you're doing and that's the reason I say "thanks."

Take a look at the other aspect of Soviet security. Forgive me for telling a story on myself. My last trip to Moscow was in '63. I was helping Averell Harriman negotiate the test ban. We were duly briefed that, under no circumstances, should we, if someone tried to push a piece of paper on us, take it. I was staying at the Hotel Ukraine because from my Army experience I learned one thing — never trust a motor pool unless you are the chief. If you're second in command, you aren't going to get along very well with the motor pool. I stayed at a hotel within walking distance of the Embassy. I used to walk back and forth and found it rather interesting — it sort of reminded me of the slum areas of Memphis in the depression. There were still some log cabins there. I kept going going through this routine and I took a back road. One Sunday, a young lady who if I may risk sounding indelicate, wouldn't make you gather from looking at her that there was a food shortage in Russia, tried to press a piece of paper on me. Duly briefed as a junior-grade bureaucrat, I refused

to take it. Then she tried to press it again and I refused to take it, and I said, "The best thing for you to do is to walk away — you're not getting anywhere in this one." I was using my incredibly complicated Russian vocabulary which consists of two words "nyet" (I've heard it often so I know what it means) and the other word "pazhaluista", which is sort of a combination — or general politeness word — "please lay off" that's when you say "nyet pazhaluista." But I wasn't getting anywhere so I started to walk a little faster; that wasn't getting me anywhere, so I started to trot, and she started to trot; and even recognizing I was not in the world's best condition I figured that since the food shortage hadn't hit this gal this was one escalation I could pretty well win. So I took off at a mild run and I duly outdistanced the young lady. She was sort of screaming as I rounded the corner to the Embassy. At that stage of the game remorseful second thoughts set in — you know my nickname is Butch and that's supposed to mean I'm really tough — and I said to myself, "Here's Butch Fisher, former second-string football player, chased down the streets of Moscow by a Russian girl — a fat Russian girl at that." I will tell you what happened to me (and I haven't really thanked the fellow for doing this for me). A guy named Barhorn of Yale two weeks later accepted a letter under similar circumstances, was duly arrested and charged with espionage. Now, I can't tell you what Professor Barhorn has done for my morale. He

changed me in my own mind and esteem from a real chicken to a real pro, one who understands how to get along behind the Iron Curtain. I don't think this was a plant. The Soviets had no reason to put a plant on me. I don't even know that I was followed. I couldn't tell that I was followed. But the one thing that was perfectly clear to me was that had I been followed, and I could not discount that possibility, and had I accepted that piece of paper, I would have been arrested. No question about it.

This is an asymmetry that is very substantial. It is part of the Soviet objections to verification, and part of the Soviet objections to inspection. "Your inspectors are just spies," they say. They don't mean espionage in the same way we mean it, in terms of just running around looking at missile bases. What they really mean in their terms is that any understanding of the relationship between the Soviet Union and its subjects is, in their point of view, espionage. In other words in a totalitarian system, even one (perhaps one might say especially one) that is relaxing somewhat, the knock on the door at midnight means that you have lost your job. It doesn't mean necessarily that you are off to Siberia or off to a firing squad. But even losing a job is hard. I mean that it is sort of hard to get another one. It is still a totalitarian system. The totalitarian system cannot tolerate argument as to who is in charge. They can't tolerate any outsider in the Soviet Union. I was all right because I had a diplomatic passport and I

could have been declared *persona non grata* and sent out. I wasn't there as a matter of right.

So this basic difference between ourselves and the Soviet Union on the problem of verification of arms control agreement is that when they say espionage it is really a political difference. It is their inability to accept the idea of outsiders in the Soviet Union as a matter of right, because that casts in the minds of some of their people some rather confusing doubts as to who is running things. The result is so serious that they cannot tolerate the communication between the Soviet citizen and a person of the outside world except through the censorship of their own Post Office. They couldn't tolerate it if I had picked up that letter and sent it out through diplomatic pouch. Duly briefed, I didn't. I can say that I am very proud of myself now, thanks to Dr. Barhorn. But this is the great and fundamental difference between ourselves and the Soviet Union.

This gets me to the points that I want to make in classification management as far as international affairs are concerned. One is the important area of classification. Negotiations with the Soviet Union are as important as any areas you have been dealing with. Are there areas of classification for political reasons? Unfortunately our vocabulary has not developed a good distinction between political which means "Boy! You are going to catch it next election" and political meaning "Is this a good thing, in view of the current state of our relations with other coun-



tries, to have made public." These are quite different categories of things. When we say, "For political reasons, this has to be classified," we have not adequately explained what we mean. People automatically think of the cover-up — making something unavailable because you are afraid that come November you will hear from it. Obviously that is an improper reason for classification. The reason which is the most proper one in the world is that you are engaged in international negotiations with an opposition who, despite the easing of tensions, doesn't really have our best interest at heart.

I was again in Moscow when the Soviets and the Chinese were exchanging comments with each other. They have a peculiar method of classification (which I don't recommend for any of you) that is sort of taken from Edgar Allen Poe, the purloined letter type. They hide what they are saying in communiqués that are open but are of about 70,000 words each with the thought that no one will read them. But people do read them, I didn't, but people that I worked with did. And when you really got down to it, the argument between the Soviet Union and the Chinese Communists was whether it was better to do us in with or without a war. Now, I am rather happy that the Soviets are on the without-a-war side. But come to think of it, the major premise of this argument doesn't commend itself to our ready acceptance. I mean it is the how-do-they-do-us-in the fastest and quickest.

In this context we have to de-

velop a better idea of what is appropriate classification for political reasons. For political reasons when you are engaged in a negotiation where the stakes are so very high and where once the cat is out of the bag, you have had it, your classification must be good. For example consider that horrible government problem, the problem of "leaks." Once the story comes out that we are thinking of offering "X" number of inspections, we have had it. Our bargaining power is gone.

That is not a situation experienced solely in international relations. I used to make my living negotiating with unions. And if you told them that you were thinking of making an offer, that's your bargaining power and it was gone. So we have to consider a better means of evaluation than we now have. We are taking steps with automatic declassification in the diplomatic area, recognizing that there are some things that should be classified when you are engaged in negotiations but are of no worth when they are over. Good poker players don't show the other fellows their hands until they have been played. The effective characterization of a concept of political classification, in an international political sense, is an area in which we have a long way to go. This probably will not be of immediate concern to most of the industrial corporations, but I assure you it is of great concern to the nation.

Now I would like to raise one other question which I see as a problem ahead. Here again I am not addressing myself to the cur-

rent regulations, but to a problem of increasing importance — that of preventing the spread of nuclear weapons to other countries that do not now possess them. We now have five countries that have set off nuclear devices. We have ourselves, the Soviet Union, United Kingdom, France, and now Communist China. If we don't do something about it, in fifteen years, we may have fifteen. And the world will not be a very happy place. Our children will look at us and say "Boy, you really left it in great shape for us!"

What has that got to do with you? Well, it has the following, and let me again use an illustration. I will have to change names and not identify each particular device. In 1961 when I returned to government, I discovered that we then had a moratorium on all nuclear tests with the Soviet Union. We weren't testing; they weren't. There wasn't at that point an agreement. The agreement had expired. The only agreement was that we would give public notice before we began again, but in effect neither side was testing. Both sides were probably considering it. They obviously were because they both tested in about eight months.

One scheme that we were considering to get the test ban off dead center was having a detection and identification shot. In other words, we were going to have a shot that would be used primarily to monitor what the seismic signals from the shot looked like, to see how well we could identify it. This particular shot never took place, but that was to be the object of

the exercise. One of the problems with it was whether, if you did have a shot of that kind, it counted as a weapons test. Had you broken the moratorium? So one of the things we were considering was whether or not it would be possible to take a rather crude weapon and show the Soviets that this was such a crude weapon — that we were obviously not trying to get weapons information. This was a bona fide seismic test and could be conducted under international sanction.

Now our classification structure, quite properly as of the time from 1945 on, is based on the assumption that as you declassify, the degree to which you can declassify and make things available to foreigners is almost a direct function of the extent of our friendly relations with those foreigners. There are some areas where people may argue that we go too far. There have been criticisms of certain provisions of the Atomic Energy Act, for example, with respect to allies and weapons information. But the point I am making and am asking you to address your thoughts to (and this may be like thinking the unthinkable) is that the Commission said that we could not authorize making this available under these circumstances unless we declassified it. And while we admitted that we would not be concerned at all about the Soviets seeing this device (we knew that they had gone way past it as far as their own technology was concerned) if it were made available to X, Y and Z countries, which haven't gotten that far, it would work against preventing the spread

of nuclear weapons.

So, I would like you to consider a proposition and I would be interested in hearing your comments on it. The fact of the matter is that as long as we and the Soviet Union know in some way or another that we both have substantial development in this field we may engage in a joint project to prevent other countries from developing nuclear weapons. We have a positive interest, as far as information is concerned, in keeping countries, even though they are friendly and allied to us, from getting information that we know the Soviet Union already has. That may sound like a strange doctrine to someone who recognizes the dangers of Soviet aggression and imperialism. But we know that they have a substantial nuclear stockpile. I am not going to go into details as to what we know about it, but we know. They are a nuclear power all right. And to that extent, if we hope to engage in an effective program to prevent the spread of nuclear weapons further, we must make it one with the U.S. and the Soviet Union working together. We do have an interest in preventing France from getting access to information which we were unable to prevent the Soviet Union from acquiring.

This may seem like a strange doctrine, but the whole Atoms For Peace program is a strange doctrine. It is based on the assumption that we will give our assistance to our allies and certain other friends in peaceful activities only if they promise us, either through the mechanism of the IAEA or otherwise

(and one hopes as much as possible the IAEA) that they will not use that information or that material in ways that we cannot prevent the Soviet Union from using its own material.

This may seem a radical suggestion but the alternative to it is saying that since we cannot prevent the Soviet Union from having the bomb, it is in our interest to have as many of our friends as possible have the bomb. This statement might appear reasonable at first blush, but once you think about it and see what it would be like if there were 20, 30 or 40 nuclear powers, you will reject it. So to that extent I predict that if our security system is to continue we must learn to recognize what information really is security information that should be identified and protected. We will have to accept this new reality at some stage. The alternative, it seems to me, is probably failure in our attempt to prevent the spread of nuclear weapons. I do not believe that the various countries that are trembling on the verge of nuclear development can be prevented by unilateral U.S. means alone. This is the main thought I would leave with you.

I would like to leave with you also one other thought. This sounds pontifical, but no more pontifical for me than usual. It is the importance in the security system of its image. (Please pardon the horrible word.) I think the most important thing for a security system is to be respected. And to that extent, I think the most important thing — I've got back to the very

beginning — of a security system is to be considered an integral part of our institutions. We must recognize in dealing with the security system that it isn't enough to say that you can't be too careful, because in some ways, you can be too careful. If by being "conservative," you promote a general disrespect for the security system that makes it regarded by industrial managers in the same way that many people of the older generation regarded prohibition laws, you will have done the greatest disservice to the security system. And in that sense the greatest disservice to the security of the United States in which, I believe, the profession of classification management plays a very, very important role.

**Durham** Mr. Fisher has graciously consented to answer any questions from the floor for the next ten minutes. Mr. Langford.

**James F. Langford, NASA** Mr. Fisher, is it the Soviet policy to limit the number of countries which have a nuclear capability? Secondly, are they bringing any pressure on the Red Chinese to sign the nuclear test ban treaty?

**Fisher** It has been Soviet policy to limit nuclear capabilities since roughly 1958, when, as far as we can gather, they withdrew their assistance from the Chinese. They are bringing such pressure as they can on the Chinese Communists to sign the limited nuclear test ban treaty, but their direct pressure is rather limited. Since they are in

open competition, after this very short period of make-up following the downfall of Khrushchev, with the Chinese Communists for leadership in the international Communist movement, their ability to bring pressure is limited to telling what a great thing the test ban is in the international Communist movement. And I would say I think they have a bona fide interest now in limiting the number of nuclear powers. One reason is that they have a feeling that if it gets out of hand the Federal Republic of Germany will be an independent nuclear power. When they count all the dangers they see in that, the 20,000,000 dead and every thing else, they probably worry.

**Durham** Any more questions?  
Don Woodbridge, Union Carbide.

**Woodbridge** We can assume then that the Soviets and we have basically the same regard for controlling proliferation and it has been said that if we could know, we probably have pretty much the same classification guide. How would you propose to go further and take positive action in a combined project in which the two countries might engage?

**Fisher** I don't see anything in the cards, sir, right now for this reason: we are presently engaged in a very serious discussion in terms of NATO nuclear arrangements. The Soviets have not yet realized or come to the conclusion that a strong NATO in which German nuclear ambitions can be satisfied is in their interest. At some point we might well have an agreement

of which we jointly were the co-signers along with Britain that involved (a) a non-proliferation agreement and (b) non-acquisition agreements. We have proposed these agreements by the non-nuclear powers. At that stage of the game, some form of a verification system would be required. That verification system might involve some determination as to whether or not a particular type of activity was or was not suspicious. Deciding whether a particular type of activity was or was not suspicious might well involve data that we would have no objection from the overall national security point of view of sharing with the Soviets, because of our understanding that they already knew it, but which we think we would not like to make public literature. This is the way I see it possibly coming: if we can get a hand on the problem of non-acquisition of nuclear weapons; if we can get a sufficiently stable world so that the number of nuclear powers stops at five and doesn't go to fifteen.

Every time I think of people who say, "Who cares if it goes to fifteen?" I remind myself of what an absurd situation we would have had in the Indonesian war if one of them had detonated the bomb. So it seems to me that we must be prepared for a joint alliance to prevent a spread of nuclear weapons. In doing this we must be prepared to give proper regard to our present alliances. They've got allies too. Their relation to their allies is not really on the same basis as ours. We have to recognize that we must treat our allies with

proper respect. We think that is a proper condition on our part. We shouldn't say, "OK, non-proliferation is so important, we are willing to wreck NATO to get on with it." You can understand that they might take that position in the first aspects of a negotiation.

The way I can see a classification problem arising if we and the Soviets were trying to check on suspicious activities by other countries, would be over what was suspicious. We might well have to explain why we thought something was suspicious, and we would be prepared to explain it to them because of our fairly informed guess of what they already know. That guess is pretty informed.

This may seem a strange world. It is a strange world. I would have never thought for example when I came into this that we would be seriously concerned about the Indian government negotiating or making a decision to develop nuclear weapons. They were meek, they have inherited the earth. Usually when the meek inherit the earth they are fairly nasty. They say, "We are the meek and have inherited the earth. Get in line." But they don't usually say "We have not only inherited the earth, but we have got to consolidate our position with nuclear weapons." We are now seriously concerned. For example, it would be a matter of serious concern to this country if the Indians developed a type of device the Soviet Union has had for ten years.

Why would that be of concern? The Indians are nice people, you say. Well, it wouldn't stop with the

Indians. You would have the Israelis, you would have the UAR and the whole idea of nuclear weapons in the Israelian-UAR confrontation. If you really want something to worry about at night this is one, and one that might happen. The idea of nuclear weapons in that confrontation is absolutely an appalling thought. So I believe the goal of non-proliferation may involve a re-evaluation of what we consider good or bad and of what information has to be protected and from whom. I am not at all for an immediate widespread declassification policy but I see a change on the horizon. Yes sir?

**Speaker Unknown** I am not sure whether this question is in your bailiwick or not, Mr. Fisher, but have the Soviets expressed any informal opinion about the use of nuclear devices to blow the new canal — the Panama Canal?

**Fisher** When they first developed their own device they were moving the entire terrain of Siberia around with it. They said, "The current context of a treaty is a long way off. When it gets practical, come and we will talk about it." You may notice (those of you who read the limited test ban treaty) it has a very peculiar amendment clause. That treaty, to be amended, requires agreement by three of the seven original parties — the U.S., the USSR and the United Kingdom — and including those three a majority of the other parties. That is the most flexible amendment clause once you get the three original

parties lined up that I have found in any treaty anywhere. This is not an apology for it; I helped draft it. It was done with this in mind, this problem in mind. Yes sir?

**Speaker Unknown** Mr. Fisher, you have been talking about nuclear devices mostly during this discussion but I have a question concerning all kinds of classified weapons that have been released to our allies. I am wondering what kind of control you have over this release? There must be many factors in the determination to sell or to provide a classified weapon, either an aircraft, missile or some other type of weapon to one of our allies. The reason this comes up is that I have had several questions come to me from industry, from our engineers, asking "Why do we give these people this equipment? It is classified; it is our first line equipment." Then usually three to six months after it has been given to the country, a fairly elaborate description will appear in the local newspaper providing all the capability information that we have been protecting all this time.

**Fisher** This is a bureaucratic answer which is always an easy one. We are often not directly involved in the information aspect of that. We are not usually enthusiastic about the release and the other side is usually very happy. One of the problems that concerns us is the peaceful atom program. We have a peaceful atom program. You have got to recognize who's done this. It has made the

incremental cost of developing a nuclear weapon by a country who has the technological capability very low, considerably lower than if we didn't have a peaceful nuclear program going. Now that being the case, once we have gotten a long way in helping people through IAEA and otherwise with peaceful programs, we recognize that the their cost of developing a weapon is incremental. It is over and above; it is not as large as if they had to start from scratch. Therefore, a large part of the cost of a decision to go nuclear is in the delivery system, an effective delivery system. If a country decided to enter the nuclear club, it could manage with a C-47 or something like that but really to get into the big time, it needs to develop a big time delivery system as well. The delivery system is the key in that. And that has been one of the reasons for our lack of enthusiasm for passing around advanced delivery systems. I don't know if you would classify the TU-16 of the Russians' as an advanced delivery system or not. But the fact that they have some of those in Indonesia and the UAR doesn't fill me with wild enthusiasm. And I think we might be well advised to accept a restriction on passing around something like the B-47, which our Air Force people tell us is probably a better aircraft, and try to get a similar sort of restraint on the part of the Soviets. My interest in this is primarily on behalf of non-proliferation, because of the importance economically of the delivery systems as part of the total effort in the decision by any

country. The delivery system is very important. To the extent that a particular country gets a missile system that is adequate to handle its potential adversary, the pressure is on it to go nuclear. If it has got a peaceful system, it is just that much greater. In our small agency here we are just that much more nervous and the possibility of 15 nuclear powers, including, say, Israel, UAR, India, Pakistan — oh, you name it, you can think of the confrontation where nuclear force might be engaged. I am all for keeping as close as possible the technology, the know-how, the works.

**Durham** Thank you very much, Mr. Fischer, and on behalf of the society, we stand adjourned to resume at 2:00 in this room with the panel on the dollar aspects of classification management. Thank you.

### **Panel — Realizing Savings From Classification Management**

[The transcript of the verbatim record of the preliminary remarks is not available. R. L. Durham introduced the moderator, R. J. Rushing. Mr. Rushing presented the speakers: Francis E. Wilkie, Lt. Col., USAF, Patrick Air Force Base, Florida; Lorimer F. McConnell, System Development Corporation, Los Angeles, California; and Anthony A. Correia, Major, USAF, Norton Air Force Base, California. Panelist Edward H. Calvert, ACF Industries, Inc., Albuquerque, New Mexico, was not

present because of illness, but his prepared remarks are included for the record.]

**Francis E. Wilkie**

When Bob Rushing asked me to participate on this panel, my first reaction was to say "no," because I didn't really know very much about the subject of classification costs. However, after talking it over, I decided to accept and to try to learn something about the subject. I must admit that it has been enlightening and I am sure that I have gained far more in preparing this talk than you will gain from hearing it. It is amazing what you come up with sometimes when you start digging for information.

I am going to talk to you about the impact of classification decisions on the operation of the Air Force Eastern Test Range. I think it will become apparent to you during my discussion how a very simple check mark in the confidential or secret block on a DD Form 254, "Security Requirements Check List," can cost thousands of dollars. Before talking to you specifically about security classification costs, I want to give you a brief overview of the range operation so that you can better relate what I have to say about classification costs.

The mission of the AFETR is threefold: to operate a 10,000-mile-long outdoor laboratory known as the Eastern Test Range, to provide support for the missile and space programs of the Army, Navy, Air Force and NASA — and by support I mean from coffee machines to exotic fuels — and to

gather and put into usable form a complete set of data on each flight.

I want to emphasize the importance of the data-gathering part of our mission. The Minuteman, which is a 3-stage solid-fueled ICBM — meaning it has a range in excess of 5,000 miles — became a part of Strategic Air Command's operational weapons system after only 30 test launches. During World War Two, the Germans required approximately 300 launches to achieve combat readiness with the V-2, which was the world's first ballistic missile. Why the difference? First, we know much more about the field today; and second, with the great strides we have made in the collection and use of data, each flight test provides a great deal more technical data.

Launching space vehicles and ballistic missiles takes a lot of real estate. There are two reasons for this. First is the sheer size of the vehicles launched. The Titan III, for example, is taller than a 14-story building. Second is the safety factor. The rocket fuels are highly explosive and toxic. So we leave a lot of undeveloped scrub land around each launch complex. The amount of land increases with the size of the vehicle. Cape Kennedy Air Force Station covers about 15,000 acres. To the north and west is the Merritt Island Launch Area of NASA. MILA, as it is called, covers 88,000 acres. It is being developed as the launch site for the Manned Lunar Landing Program. The Vehicle Assembly Building for the Apollo-Saturn Five launch vehicle is nearing com-



pletion in this area. This will be the largest building in cubic volume in the world. To the south some 15 miles is Patrick Air Force Base, where the AFETR Headquarters is located. It is also used as the base for air operations and other support, as well as our data reduction facilities.

Now for a closer look at the launch facilities. Entering from the south, you would first pass by Port Canaveral. This is a deep-water port used by the Navy for their Polaris-carrying nuclear submarines and a special Polaris-firing ship called the USS "Observation Island." The Air Force uses the port for its instrumented ships that are used on the range. Going north, you pass the Intermediate Range Ballistic Missile Area. It was from this area that America's first two astronauts were launched on their suborbital flights on a Mercury Redstone. North of the tip of the Cape are the launch complexes for the larger ICBM's and space boosters. The area is called ICBM Row. It is from these pads that all subsequent manned launches have taken place. Complex 19 is being used presently for the Gemini launches on an Air Force Titan II booster. At the north end of the Cape are the giant launch complexes for the Air Force Titan III-C which will be used to boost the Manned Orbiting Laboratory into orbit for periods up to four weeks. On man-made islands in the Banana River, the Vertical Integration Building and the Solid Motor Assembly Building for the Titan III C rise 24 stories high. In addition to Patrick AFB and Cape

Kennedy AFS, we have 25 mainland sites lining the east coast of Florida responsible for collecting data and for monitoring flight progress. They employ cameras of various types, radar, and radio transmitters and receivers.

This is by no means all that is required to do the job. As I said earlier, the Eastern Test Range is a 10,000-mile-long outdoor laboratory, not just a shooting gallery. For this reason we must have data gathering stations along the entire range.

The first 1,500 miles of the Eastern Test Range, extending from the Cape to Antigua, is known as the uprange. Originally this portion of the range was constructed to support missiles that could fly up to 1,500 miles. Located in this portion of the range near Grand Turk and Antigua is the Missile Impact Location System. This system consists of a series of underwater hydrophones arranged in a pentagon many miles across. On the upper range a submarine cable extends from the Cape through the chain of islands to Antigua. The cable has 10 voice channels and 34 teletype channels and is used to send real time data and command information between stations and to the Cape computer facility. Real time means within one second of the time of occurrence.

From Cape Kennedy to South Africa and the Indian Ocean is the extended range. Included are Antigua, Trinidad — a site for a Ballistic Missile Early Warning type of radar — Ascension, and Pretoria, South Africa. Adjacent

to Ascension is another Missile Impact Location System. In addition to these sites, we fill in the gaps with range instrumentation ships. We also use a fleet of instrumented aircraft such as the C-130 Hercules equipped with a telemetry receiving and recording system to gather data on the re-entry portion of the flight.

The auxiliary Air Force Base at Grand Turk, some 600 miles from the Cape, is about the point where powered flight ends on many of the launches. About 200 people are employed at this station. Some sites have as few as 15 and some as many as 450. Each station has one Air Force officer who is the base commander. The remaining personnel are Pan American World Airways and the Radio Corporation of America employees. PAA has the prime contract to maintain and operate the range. RCA, as PAA subcontractor, provides the technical functions of data collections and processing.

During a typical 30-minute flight some two million bits of data will be gathered. All of these data are rushed to our technical laboratory at Patrick where the magnetic tapes are placed on an IBM 7090 computer and the film is placed in high speed photo processing equipment. Within seven to ten days we come up with a book about the size of a Manhattan telephone directory. The book is called a Flight Test Report, and provides the complete story of the missile or booster from the time its engines ignite until its payload splashes down in the target area. The report is made available to the range

user and its contractors who will use it to verify the correctness of existing systems, to discover changes that could be made to improve performance, and to determine the cause of malfunctions. In this way we are able to learn much more from each flight. This results in a substantial savings in both time and money.

Now to get to the specific thing that we are here for — to talk about classification management and the costs of running the range which are the result of security classification decisions.

Approximately 25 per cent of our motion picture photography is classified. Each reel of classified film has a 16-foot leader attached to its head and tail. This leader contains the necessary security markings and instructions. About 12,000 feet of leader is used each month. The material plus the labor in printing, cutting and processing leaders comes to about \$7,000 per month. The extra costs involved in processing classified still photography, plus the costs of recording, receipting, and storing will add another \$5,000, making a total of \$12,000 per month.

PAA and RCA are the largest organizations at the range and have the largest classified document inventories. They have approximately 225,000 classified items requiring 550 safes, 9 vaults, and 25 closed and restricted areas. They generate between eight and ten thousand classified items each month and destroy four to six thousand each month. In addition, they destroy approximately 20,000 pounds of classified waste each

month. Of the 225,000 classified items, approximately 60 per cent are confidential and 40 per cent are secret. If we use the rates established by the Lockheed study on document control costs we find that the costs per year to maintain these documents are as follows:

Secret —  $90,000 \times 7.18$  — \$646,200;  
Confidential —  $135,000 \times 2.11$  — \$284,850; TOTAL \$931,050.

I'm not here to try to validate the Lockheed figures. However, I have reviewed the study and I think that their figures are in the ball park. If they are, PAA and RCA are spending almost a million dollars a year maintaining their classified holdings. When you stop to think that this is just the beginning of the data collected from each launch, and that the tapes, documents and films are shipped all over the United States to Range users and their supporting organizations, you can begin to appreciate the costs involved in classifying technical data on missile and space launches.

We now have about \$2,000,000 worth of Crypto devices and associated interface equipment on the range. It costs \$500,000 per year to maintain and operate this equipment. We have additional equipment programmed and approved for installation in 1965 and 1966 involving capital outlays of two and one-half and five million, respectively. By 1968 we expect our maintenance and operation costs to run five million dollars per year. This is a lot of money to spend to handle classified messages, especially when you stop to consider that only five per cent of our total

message traffic is classified. This five per cent is a pretty expensive five per cent.

The policy on the use and protection of magnetic tapes has created a problem for the range. At one time we had an accumulation of about \$250,000 worth of tapes. Much of our operation necessitates the use of virgin tape. Secondly, range users are reluctant to accept tapes containing only unclassified data when such tapes have to be protected as though they were classified. Thus it becomes somewhat of a problem to get rid of tapes which have been used to record classified data at some time or other.

PAA has 400 security police at Cape Kennedy Air Force Station. They have another 100 fire-security police at the downrange stations. This force costs over three million dollars per year. Although a good number of these personnel are involved in law enforcement, traffic and safety activities, at least 50 per cent are required because of security classification decisions — that little check mark I was talking about earlier.

I hope that you are beginning to get some feel for the costs at the range resulting from security classification decisions. Now consider the fact that I have only been talking about two contractors. Add to these 50 others, plus the NASA, Army, Navy and Air Force organizations at the range. Also, keep in mind that our operation extends all the way to the Indian Ocean and that the movement of classified material up and down the range is a much more difficult and expen-

sive operation than to transmit it from Los Angeles to Washington. There are no U.S. Postal Service facilities down range.

I am not here to criticize the classification policies of our range users but rather to show you the impact of classification management. It is the key to reducing costs and is the field where we need to expand the most effort. It is also the key to protecting the information that really needs protecting. I know of no greater challenge in our profession. May we all work together to improve our knowledge and ability in a most challenging field.

#### **Lorimer F. McConnell**

I would like to consider myself a part of Col. Wilkie's team — I don't pretend to be an expert at all in the area of classified document costs and I want to say that right off so that you don't have any mistaken impression. As a matter of fact, when Bob asked me to be a member of the panel, and I agreed, I began to wonder what I could really say about classified document costs, because I didn't know a lot. I remembered that in our NCMS Southern California Chapter meeting earlier this year, a rather extemporaneous discussion got started on classified document costs and I found that we had one problem — we weren't communicating with one another because we didn't know what factors each of us was taking into consideration in formulating the basis for cost. Hoping that our NCMS members could give me some assistance, I mailed them a question-

naire on classified document costs, and was very gratified to find that most responded. It was a simple, one-page questionnaire. I recognized that the questions I asked would elicit, in many cases, only broad estimates. I keep this in mind and I urge you to; I don't think we can draw any final conclusions from the statistics that have come back to me; but I think there is much we can learn from this information. Beyond providing a basis for some very interesting speculation, this information may suggest to us that we need to take a closer look.

I remember Don Garrett's suggestion yesterday about developing an automated vocabulary. I think this possibly might be one valuable contribution to studies in the cost area — a common terminology for cost factor elements. If we all use commonly defined factors, we will at least know that we all have a common basis for arriving at cost figures and then can make better cost comparisons.

The concept of an automated vocabulary reminded me of a story one of our computer people told me some time ago, about an experiment in automatic language translation by a computer. I understand that the state-of-the-art is now considerably advanced. But a few years back an experiment was tried in which the common English phrase "the spirit is willing but the flesh is weak" was translated by computer into Russian and then translated back into English. The re-translated English read "the vodka is good but the meat is going bad." I think this is the kind of

problem we have in discussing document costs.

Let me give you the results of the questionnaire. I asked the members if they couldn't tell me how many classified documents they are producing a year, and of that number, how many accountable; how many documents they are downgrading a year as a result of both downgrading and time-phase special review. Also, I asked if they could tell me what they considered to be the cost of an accountable classified document over and above the cost of an unclassified document. If they could answer that question, I asked them to list the factors they took into consideration in constructing their cost figure. I suggested some obvious cost factors in general terms, such as preparation, transmission, storage, records, review, education, and guidance. I didn't want to ask too many questions and in too great a depth. But I asked that people tell me about factors they'd considered that I hadn't listed. Of the approximately 40 organizations to whom I sent the questionnaire, 31 responded. It was very gratifying to me to get this kind of response, and especially on such short notice. I think it is an indication of the sincere interest many in government and industry have in working toward solutions to classification management problems.

Of the 31 organizations responding, 20 had statistics that they could furnish on the number of documents produced and destroyed a year. In answer to the question, "do you know what a classified

document costs, over and above the cost of an unclassified document," six knew or could provide an answer, and some of those answers were modified. Those six cost figures ranged from \$1.08 to \$7.18 for secret, and \$.49 to \$3 for confidential. Now, beginning with the cheapest, let me give you some idea of the factors that these organizations took into consideration in arriving at these costs. On the low end — \$1.08 for secret — this figure included only the direct costs that could be identified in transit — that is for one document going from an originating office to a receiving office. Cost of such factors as classification guidance and storage were not included.

The next highest figure was \$3.45. This figure included only central service costs — such things as central service's cost of transmitting to any point within the facility or outside, storage in central services, cost of a vault, central service's control records, central review, guidance and education, but excluding physical security costs outside of this central services organization.

The next cost was \$3.68. This included cost of transmission, storage and records — I presume of central services although this is not indicated.

The next cost of \$7.00 included all of the factors of central service, plus an estimated cost of time taken by individual authors and recipients and including overhead. The other two figures were \$7.18 and \$7.18. Sounds as if somebody had been comparing notes there.

We ended up with three figures

in the \$7 area, two figures around \$3.50 and one low of \$1.08. I think we can't conclude from this that one organization is doing better than another. When we have to look at the factors here in detail, it is quite clear that the differences in the factors that have been included do account for the differences in the costs.

I asked for information on generation and destruction and I will give you summary figures. It appears that the 20 organizations who could provide statistics on the number of classified documents they're generating, produce three and one-fourth million classified copies per year. Nineteen organizations destroy a total of one and one-third million copies each year. If these are typical, we are creating three times more classified documents per year than we are destroying.

I also asked about downgrading. The 12 organizations who could provide statistics on this said they were downgrading 108,000 copies yearly as a result of the automatic time-phase. I also asked how many documents were downgraded as a result of special review. Fifteen organizations reporting indicate a total number of 19,500 per year. You will note that about 5 times the number of documents are getting downgraded as a result of automatic time-phase than are as a result of special review. Yet, those statistics show things that totals and averages don't disclose. I see things like this: 19,500 copies are downgraded by 12 organizations as a result of special review, but *one* organization downgraded

8,000 as a result of special review. That organization also was maintaining a fairly consistent level of inventory and also was able to furnish cost figures. This kind of thing leads one to suspect that organizations that have real classification management programs are in a better situation than those that haven't.

I think each individual organization and its particular cost factors must be considered on an individual basis. When we come to the matter of considering cost savings, I don't think we can make any generalizations across the board. I think in some organizations some costs can be saved as a result, let's say, of reduction of vault inventories, and in other cases I don't think we can attribute cost savings to this. For example, some organizations have told me that they find it practically impossible to separate their classified from their unclassified holdings — these just have to get filed together. So if that organization was to consider classified storage as a cost factor, they really couldn't say that they had achieved any cost savings if they had reduced their vault holdings, unless they had reduced it to zero and could take off all the locks. This is why I think we have to look at the individual situation and establish those cost factors that are truly attributable to realistic cost savings. Also, I realized another very interesting thing — some organizations had counted the cost of classification guidance people as a factor — that is, people who were improving correct classification assignment and preventing

overclassification. If these people destroy and downgrade half an inventory, the cost per document goes up. But, this is much better than having, let's say, a million classified documents around and have a very low per document cost figure. I mention these things to stress that the statistics can be very deceiving; you must really examine the factors and analyze them carefully.

I've been talking here about "management" in the term "classification management." Yesterday, we talked about what our professional name ought to be. I think we must know what we're doing. We have to know what our volume is, know what our inventories are, know what our destruction rates are, know what our downgrading rates are, and we must analyze what we're doing and apply management techniques to make our programs both effective and economical. Thank you.

#### **Anthony A. Correia**

I would like to relate a number of problems that we in the Ballistics Systems Division Classification Management Office have experienced in the past few years and emphasize that in each of these situations resolution was possible by a thorough knowledge of the Weapon System involved.

On a visit to a contractor facility in late 1962, the contractor advised us that they had received direction to in-plant test the missile they were manufacturing with the operational guidance package installed. When this direction was received, they immediately had a

problem, since the operational guidance frequency was secret and the facility was only cleared for confidential. The contractor established that the physical security requirements including guard coverage would cost over \$200,000 annually. Based on this, the Government Administrative Contracting Officer was ready to approve the expenditure of \$220,000. We knew that the missile, less re-entry vehicle, received a complete systems test before shipping to the military base and that after arrival various systems tests were made before installation in the launch silo. So we questioned our technical project people as to whether the contractor check could not be made with the R&D frequency (which was confidential) and the operational frequency used during testing at the missile site base where secret controls already existed. They replied that this is acceptable except that they wanted to be assured that the missile was fully operational before it was "sold" by the contractor. We then suggested that acceptance be with the proviso that there would be one more test using the operational frequency at the missile site base. Our suggestion was accepted and a \$220,000 expenditure was avoided.

In another instance, the contractor was awarded a contract involving secret cryptographic material. Immediately, the contractor went to his Government Administrative Contracting Officer, obtained funds, and constructed a Class A vault — eight inches of reinforced concrete — the best. There were two test sites that re-

quired vaults. They hadn't built the second one at the time we visited the facility. The contractor was very proud of the vault and recited all the problems they had to overcome to get it built inside the plant. When asked why they had built a Class A vault when Class B vault would meet the project requirements, they replied that the ACO told them to build the best. Well, the best according to AFM 88-15 is a Class A vault. A Class B vault, using eight-inch concrete blocks, was built at the second site for \$17,000 less.

A different type of problem involved the assignment of a confidential classification to the external configuration of a re-entry vehicle (the silhouette so to speak). Several days before the first vehicle was due to be shipped from the contractor's assembly building, the contractor became concerned since some badly needed construction work was scheduled to start. His resolution was to request security clearances for a large number of construction workers. Clearing these people was impractical as well as costly. The alternative of constructing a partition was also costly and time consuming. From our technical staff, we determined that the re-entry vehicle was scheduled to be placed on its booster within 10 days after arrival at the base. Since it would then be impossible to protect the external configuration, it was obvious that immediate declassification was warranted instead of delaying until the vehicle was placed on the stand. They concurred in this approach.

A \$14,000 expenditure was avoided as well as substantial indirect costs.

Another incident involved the confidential classification of a transmitter frequency used at the Minuteman missile sites. The contractor first proposed that the label be removed from the equipment and shipped as unclassified. This was rejected since the frequency was fixed and could be ascertained through examination of the crystal. However, we decided to discuss the problem with our communications staff. They confirmed that the frequency was in the 430-470 megacycle range and that the transmitter would be on constantly. Further, transmissions were encrypted. After discussion, they agreed that the frequency could be readily determined using basic rangefinding equipment. Needless to say, declassification of the frequency was promptly effected.

We had a problem arise involving a contractor who was responsible for a test program on the Minuteman launch silos. This contractor had made an arbitrary decision that all hardware in the silo from ground level down 42 inches would be classified secret. This meant that when they installed a ring on the personnel access hatch it immediately became secret although it was manufactured as unclassified. We evaluated each item of hardware for the contractor, and as a result found that less than 15% of their activity was actually secret.

These are just some of the instances that we have found in our staff visits. Application of classifi-



cation requirements can only be as good as the knowledge of the people involved. In other words, you must have a thorough knowledge of the program or weapon system including its purpose and objectives, to do a good job. Without this knowledge you certainly can't get the job done. As a result we attend technical direction meetings with contractors and our project engineers. We sit in on foreign technology briefings to get information on the state of the art. These activities along with our continued staff visits to contractors keep us up to date and enable us to do an effective classification management job. I would encourage each contractor to maintain a classification management function that follows a similar pattern. By this method he reduces his classification problems and costs.

**Edward H. Calvert**

I was hesitant to take up a place on this panel because I didn't have the kind of information a panelist on this subject should ideally have — good, solid figures on actual savings, achieved in real-life situations in classification management; the kind of information a man could take home and apply there, to achieve similar savings, thereby benefiting the national defense and winning appropriate plaudits for himself from Top Management.

In trying to assemble some information on savings, I have come to realize that the reason it is scarce is simply that we don't yet have a body of information on the costs of classification.

If you don't know costs you just can't talk about savings in satis-

factory terms.

Worse, if you don't know costs you can't really make intelligent judgments about whether given controls or protective measures resulting from classification are worth while.

It therefore seems imperative, if we are going to improve our classification management, to acquire a body of information on costs. And if our discussion today centers on costs it is not really a digression from the subject of savings.

One area in which a start has been made on cost determination is in the management of classified documents. Answers are being sought — and found — to questions like: "What does it cost us to classify a document," "How much more does a secret document cost us than a confidential one?" More work has been done on this by DoD and NASA organizations than on the AEC side.

I am able to contribute the results of one interesting study from the AEC side. At the University of California's Lawrence Radiation Laboratory, the security people analyzed the costs of handling accountable documents. The study was keyed on the processing involved in transferring custody of documents. The average cost to transfer an accountable document, internally, was calculated to be \$4.52. Other costs were:

- \$4.03 for transmitting a document to the outside by mail
- \$3.52 for transmittal to the outside by TWX
- \$2.88 for incoming transmittals by mail, and
- \$3.06 for incoming TWX's.

It was estimated, as part of the same study, that it takes personnel who regularly handle classified documents 20% more time to handle accountable ones than non-accountable ones. This was calculated to amount to almost \$100,000 per year extra cost for accountability at this facility of about 5000 employees.

People who have produced them agree that good cost data are hard to come by and harder still to interpret and use effectively. Even within a small organization there are so many variables that must be taken into account. The volume of production and size of the holdings have to be considered. A clerk working full time recording, documenting, and receipting for documents, and perhaps utilizing automated equipment, will obviously be able to process them at a lower unit cost than can the secretary who processes one only occasionally.

Storage and protective costs are especially slippery. A place where there are only a few documents could have thousands for the same basic costs.

A great many such conditions and understandings have to be stipulated before costs can be meaningfully interpreted at a given location. One can say that, like Scriptures, costs can be cited to support different viewpoints. Then they generally can't be used with any exactitude at another location because of differing conditions and — very importantly — differing methods and degrees of control.

The matter of the differing methods and degrees of controls is

probably a key to some of our difficulties. If methods were more standardized (and they could be while still allowing necessary flexibility) we could discuss costs much more meaningfully among ourselves.

In considering the matter of varying controls, another key point becomes apparent: controls do vary from place to place, but it seems to be the case that one thing they have in common is that they generally exceed the actual requirements specified by the government. While I have no survey results to establish this for sure for the defense establishment as a whole, in the AEC contractor family, with which I am familiar, I know of no contractor whose controls do not exceed what the AEC Manual requires. To give a couple of specific examples, there is no AEC requirement for central records sections, duplicating and expanding upon the basic records each custodian keeps, but everyone does have such sections, complete with clerks, secretaries, supervisors, and in some cases automatic data processing equipment. Some of these systems have the capability not only of showing who has what, but who had what on this date five years ago! Neither is there an AEC requirement for inventories, except for top secret and certain limited secret reports, yet most of us have periodic inventories, some of them very elaborate. At one AEC contractor a whole section of people does nothing but inventory classified documents, year in and year out.

This situation has built up

gradually, perhaps without our fully realizing it. It is not surprising. Everyone wants to do a good job of protecting classified information, and it would seem to be true that in the case of documents the more control the better the protection.

However, the questions have been arising in some classification and security quarters of: Are we overdoing the record-keeping part of the management of classified information; in engineering terms, has our product become over-designed — have we gold plated it? Are we allotting a disproportionate part of our resources (which are not infinite) to this, at the expense of seeing to it that new information is correctly classified as it is created? This would seem to be a real possibility. How many installations do you know of that have large staffs for document accountability but do not have even one person working full time on classification of information being originated?

On the other hand, perhaps the record-keeping penalty attached to accountability controls should be accepted, and we should concentrate on trying to achieve maximum possible economy through streamlining and automation. Perhaps now is the wrong time to reduce what controls we do have over our rapidly expanding body of scientific and technical information affecting national defense.

One thing certain: one requirement for making an intelligent choice is cost information.

It would appear the basic decision on which way we should go

in regard to controls will ultimately have to be made by the government. It should be a coordinated determination, applying to all agencies. It should be based on a comprehensive survey to establish costs of our protective measures, and at the same time there should be a new assessment of the effectiveness of these measures under present-day conditions. Only then will we be able to come to adequately informed conclusions.

How to get such a survey started is a good question. Perhaps some of you will have some comment. It will certainly help to have all the light possible thrown on the subject.

I have used up much of my time on the discussion of paperwork controls (a case in point, I guess) and can touch only briefly on some aspects of the matter of the classification process itself — assuring that proper classification decisions are made when information is originated. Protecting information — economically or not — is not going to do any good if the right thing has not been classified. And clearly, disastrous waste will result from unnecessary classification.

In the general environment that many of us work in — the plant or laboratory producing classified items, some of which are produced entirely in-house, and some in whole or in part obtained from subcontractors or outside suppliers — in this environment, the quality of the classification affects economy to a tremendous extent.

Let's consider the basic matter of the classification of "hardware" — classified components of a

weapon or of a reactor, for example. In the case when the item is to be produced by us, entirely in-plant, specific costs of its being classified are difficult to pin down on an individual item basis. The facilities for producing it as classified are already there — the guards, fences, document control facilities, etc. — and they are there regardless of whether any one specific component is classified or unclassified. Nevertheless, more control and precautions are necessary when the item is classified, and these represent part of the overhead and are important, real costs which in good conscience should be kept to a minimum.

In the case of "outside procurement" the costs of classification can generally be pinned down pretty well. If the supplier has to clear people, erect barriers, etc., he is quite prompt and specific in figuring out how much it will cost. And he is not at all hesitant to tell you. It often is not clearcut and simple, but the financial effect of classification is generally more readily ascertainable in the outside procurement situation.

The "keystone" or analytical approach, basic to all good classification, is easy to demonstrate when considering hardware. Within the framework of his authority, the classification man identifies what element of the object is sensitive, and — ideally in conjunction with the responsible engineer — determines what part of the object, or what feature or characteristic, reveals the sensitive element. Very often it is possible to keep classified only a portion, permitting the rest

to be unclassified. Sometimes there is an option — one portion or another could equally well serve as the keystone. In such a case, cost can properly be the deciding factor in what to keep classified, or which part to produce in-plant and which to "farm out."

Tooling and gaging are areas where the financial benefits of good analytical classification are easy to demonstrate. Such equipment, of course, has to be classified when the component it is for has a classified shape, which the tool or gage reveals or permits to be deduced. It is sometimes desirable — or necessary — to procure gage and tool equipment from specialized manufacturers, many of whom are not prepared to handle classified work. It is often possible to have an uncleared supplier furnish most of a gage, but minus the portion that actually reveals the sensitive element of the shape. This can then be made and installed at the home plant. Or, sometimes it can be arranged for the supplier to leave a key portion of the configuration "fat" — i.e., with excess material of nominal shape — with finish-machining to be done in a cleared plant.

There are many other facets to the financial aspects of classification, of course. Much more can be said of the classification man's responsibilities — and opportunities — in this regard. I am sure other matters will be brought up in the discussion period. One final point — one that I feel is most important for us to make:

Classification determinations are important, often complex, and al-

ways take time. An effective program requires adequate classification management manpower — *good people and enough people*. We must convince our top management that good classification doesn't cost — it pays. Thank you.

**Rushing** From discussions during the past two days, it's clear that we agree that one of our major problems is the identification of information, not hardware, at the initial stages of a program or contract. I cannot help feeling that classification management all too often gets in too late to do a good job. If you get in it early, there are mutual advantages. First, the classification specialists acquire a better understanding of the technical aspects — the technical people receive better foundation on which to base their classification opinions. Second, you bring in the contractor who's going to have to live with the hardware and documents resulting from the contract, and if it's a major prime contract, the originator of the many sub-contract DD254's. I'm wondering if three heads at the start instead of downstream after the problems develop, would not be a major step in resolving this problem. Would the panel members comment?

**Correia** Just exactly what you said — it's not a single-point decision and if necessary we call in foreign technology people to discuss state of the art. To give you a good example, we had a requirement to develop a new guidance system. Before issuing the RFP (Request for Proposal) we had a

meeting with the project engineer, the contracting officer, the feasibility engineer from the guidance directorate and the foreign technology people. Based on the state of the art, we determined that at this particular point, the design would be classified secret. Later, we had a meeting with the two contractors selected from Phase I, and established that the secret classification was still appropriate. Then, when the final contractor was selected, based on new input from the foreign technology office, some of the areas were downgraded to confidential. We have found that this procedure is very effective.

**McConnell** As far as the team effort part of it is concerned, I certainly agree that this is the most desirable approach. Unfortunately it isn't always possible. We at SDC attempt to provide a kind of authority structure within the company. My office is a staff office that looks after classification guidance. We have asked for, and our departments have designated, a person to meet with us periodically. By this method, we get an exchange of information on what is going on and we're alerted to new things that are coming down the road. This sort of thing also helps to educate these people who have other duties, but who gain a kind of expertise in the philosophy, if you will, of classification. We quite often meet with technical people at the initial phase of a contract to try to appraise what the classification implications would be. Also, one other thing that we've been

doing recently, and this we think is most successful, is to sit down with our people who are writing proposals and start at that point so that we get in on their thinking and get our classification proposal guidance written and tucked into the proposal.

**Wilkie** I have one point. While I agree that it has to be a joint effort, I think at the same time it is essential in every procurement activity that there be a single point of contact or a single office to which you address your questions regarding classification problems. If you don't do this, you can't keep track of what answers are being given and what changes need to be effected in policy, etc. Thus your guides are not up to date. So, the one office (the central point of contact) based upon previous decisions and previous discussions, might be able to answer questions, many question, without consultation with the other affected people, unless they in their judgement feel that consultation is necessary.

**Leo Hodges** If I may, I would like to supplement Major Correia's remarks and tell you something, if I could just have a few moments, of our effort in AFSC as a whole. You all know that Major Correia is with Ballistic Systems Division, which is a division of the Air Force Systems Command. I would like to divide this into three parts: the past, the present, and what we hopefully say is the future. Two years ago, General Shriever requested that we perform a study relative to overall security costs. As a result

of this study, we came up with certain items that had a direct bearing on industrial security cost. We furnished these items to our AFSC Commanders and requested that they look into these. In six months, they reported a cost avoidance savings of 4.6 million dollars. Also, as a result of our study, we recommended to General Shriever that he authorize personnel to staff a classification management function at Headquarters, AFSC. This recommendation was based on a committee conclusion that through classification management, we could effect substantial savings in our security costs. This past October we were allocated a number of spaces. Since that time we have been training these personnel to become — and they are not yet — to become experts in a particular functional breakout. For instance, one individual is being trained in the ballistics area, another in aeronautics, electronics, and so forth.

Since the first of the year, our people have been visiting contractors performing on AFSC contracts. Some of the findings are absolutely amazing. We find many, many instances where the people with the classification responsibility do not get a revised DD 254, although it has been sent to the company. As the results of our visits to contractor facilities (and some of you people have been visited) we have a tentative across-the-board savings since the first of the year of \$170,000. We have encouraged the contractors to develop a team effort, a team concept.

All classification guidance prepared by AFSC is required to be coordinated with the classification office — and I mean all classification guidance regardless of what it is. Furthermore, within Headquarters AFSC, we are now working to bring foreign technology, information services, and our contracting officers into the same loop. We are also exploring the possibility of getting the contractors in. I believe I mentioned yesterday that, by regulation, the contractor is required to assist in drawing up the DD254 for the prime contract during negotiations. We would like to have the contractor in on a revision to the DD254 also. I don't think that I will be revealing any secrets if I say that we just had a cost avoidance item come in from the West Coast. Bob Rushing substantially contributed to this item along with the Air Force Space Systems Division, our headquarters and Headquarters, USAF. It is almost a certainty that it will result in a cost avoidance of over eight million dollars. Now as to the future: we are exploring the possibility of using consultant-type individuals in our system program offices and also of assisting our project engineers in establishing classifications, classification guides and so forth. We are also examining the possibility of using computers for correlating information held by foreign technology and ourselves, with an eye to bringing about realistic classification. Above all, we emphasize a team concept.

**Commander, US Navy** We have

been conducting some pretty thorough studies and have been probing our contractors for some reduced costs, based on reduction of security requirements from the R&D stage through production. In one instance, on a \$98 million contract, we reduced 139 items down to 40 classified items. In the process of going through this and investigating the problems we discussed them in great detail with contracting officers in the Bureau of Naval Weapons. They were less than enthusiastic because they said, "You cannot realize any immediate savings in this way." I am going to ask some questions now that might not be palatable for industry, but I would like to get some answers if they are willing. I was told by the contracting types that every industrial plant is inspected, their overhead is evaluated, and they are authorized a percentage on their contract for overhead. Now, would anyone like to comment on that first?

**Rushing** It is my understanding that on a facility basis a contractor, through negotiation, establishes the allowable rates for which he can be reimbursed for the various skills. These rates apply to all contracts he receives. Since some functions provide central service, job areas are established as direct or indirect. This division assists in accounting, estimating on proposals, and provides a customer with better cost data as applies to his particular contract. The rates for changes are subject to renegotiation and are normally reviewed or renegotiated annually.

Naturally, management of a company is interested in reducing costs, particularly overhead (indirect) rates, for the simple reason that he must keep a tight control over costs if he expects to remain competitive and survive. For these reasons, he maintains a system of statistical controls to ensure that labor and materials are charged to the proper contracts, accepted direct/indirect ratios are maintained, travel costs are justified, and so forth.

If you are pointing toward how you realize cost savings by document reduction or how you recognize cost savings by a low security budget (and I assume this is part of it) I can say this: except in a security facility construction item, reduced costs are generally not directly reflected. For example, due to a reduced classified inventory and generation rate I have 35 fewer people than we had two years ago. This is 35 salaries that our customers are not paying. While it has a very minor effect on our total company overhead rate due to our size, it does reduce the ultimate cost to our customer. Does this partially answer your question?

**Commander, U.S. Navy** It does, but the next comment I wanted to make was that these gentlemen, the experts, point out also that over a period of years, if you pursue the program you have been pursuing, and pursue it energetically, you will realize an amortized cost. That is the term they used. However, through elimination of overclassification, the government

will realize immediate cost savings for items shipped from the plant whether it is a piece of mail or a piece of hardware. Hardware is shipped FOB and the government pays the cost. It has been our experience that you save by a multiple of ten, that is if it costs you \$180 to ship unclassified hardware from point A to B it will cost you \$1,800 to ship a classified piece.

**James Marsh** We did a cost study recently but it was rather inconclusive and I hesitate to quote the results now. I did run into a recent problem when I had to advise someone to go out and classify a procurement. It increased his procurement by something like 500%, so I am not very popular. But I did want to make a comment on this whole matter. As I hear the discussion, it seems to me that the way you approach problems is not very different from the way we do it. I am reminded of a specific procurement that we made several years ago. It involved a large aluminum center segment for a weapon system which, if classified, would have forced us to clear most of ALCOA at Cleveland. It would have been a tremendous job and very expensive. With the concurrence of the AEC, we did reach an agreement that by keying (classifying) other parts we could procure this large garbage can, if you will, this large center cylinder, as unclassified, thereby saving considerable time and money. I prefer to think of this not as rationalizing in terms of national security (although maybe you can say it is) but try-



ing to evaluate properly the information involved from a technical standpoint. It means keying classification to another portion, placing the classification where it will hurt you the least, if you have that happy choice. What I get out of this whole discussion is that the means by which the DoD people and AEC people operate are not dissimilar. I have learned a lot this afternoon by listening to the comments and, particularly Major Correia's, on how they go about things.

**Wilkie** Not long ago, one of the contractors under my security cognizance received a request for a proposal. He wasn't exactly certain how to interpret the classification instructions, so he wanted us to come out and take a look and give him some ideas on what would be acceptable in the way of security — if he was interpreting his guidance properly or not. After thinking it over, the contractor decided to submit his proposal with the assumption that security costs would be a certain amount based on the guidance provided in the proposal. Concurrently, he set up a different assumption and established a lesser amount if the classification requirements were reduced to a certain level. I suspect that this may be a method of selling the procuring agency on a policy that you feel is more practical, by giving them two alternatives, particularly if there is a great deal of difference in the cost.

**MacClain** I have a few things that I want to mention. Yesterday,

and maybe today, it was stated that it would be desirable to try to bring about (probably through regulation) some means of requiring procurement contractor people to create a team of classification within themselves. This brought to my mind this question, "In going back to the procuring contracting department with problems, does the industry find that they are resisted in raising problems by contracting personalities as distinguished from other personalities?" I feel absolutely sure, for example, that if the industry representative went back up the line to a government classification representative to raise a problem, he would be received with open arms. Is it somewhat different when they go back to a contracting officer?

**McConnell** My experience, quite frankly, is that the contracting officer is loaded with things to do and even though he would like to do as much as he can I just don't think he has the time nor the knowledge for this. I would be delighted, and I think he would be too in most cases, if the contractor could go to government experts on classification and get the answer direct. It turns out that that is what happens anyway in most cases and I think if we can get rid of the middle man everybody would be happier.

**Rushing** I agree with Lorry. In resolving our classification problems we try to go direct to the people that can give the answers. We then come back and work out the written confirmation in con-

junction with the contracting people. In the initial step we do bypass the Administrative Contracting Officer. They are aware of this and we have had no complaints.

**MacClain** Another point that I would like to mention is one that Tony Correia's remark about how he was able to effect considerable savings brought to my mind. He cited a roll-out problem where, after a lapse of a certain amount of time, any further attempt to maintain a classification would be foolish. So in anticipating what would shortly happen they decided to take an advance step and declassify immediately. I recognize that he is not using cost as a reason for declassifying, that is, the cost of security; rather he is looking at the consequences of maintaining security beyond a certain point in time and therefore cutting it off at the right time. I think that if security is needed it has got to be paid for and our policy certainly is that it has to be paid for at the lowest feasible cost.

**Leo Carl** For your information, our people have found during our visits to contractor facilities, that the contractors in many, many cases are very reluctant to make any suggestions or recommendations as far as classification changes are concerned because they say that in the past that when they forwarded such suggestions to the contracting officer they got total silence or even worse.

**Rushing** I am sorry, but our time is up. To summarize, we have heard varied subjects discussed for

the past two days. It is apparent that we have homework to do toward establishing channels of communication, and perhaps, as has been suggested, revision of certain policies and regulations are needed. The contractor family as a group needs to devise better controls for managing their classified inventories and relating their holdings to areas of contract effort. Last, definitive standards on preparation of informative classification guidance is urgently needed.

I would like to thank the panel members for their participation, and I turn the meeting over to Dick Durham, our Seminar Chairman.

**Durham** As Seminar Chairman I want to thank some specific people who made these two days possible: Sidney Rubenstein, for the support he has given NCMS and the seminar through the Mosler Security Letter; George MacClain, Don Garrett, Jim Langford, Howard Maines, Frank May, Leo Carl, Leo Hodges, and several others who assisted in the seminar planning and organization; Major Duncan Chapman and his girls for an excellent job on registration; and last, an expression of appreciation from the NCMS Board of Directors to my good colleague Bob Whipp, who helped make use of this facility possible.

I would like, in closing, to express one thought. The automated age is upon us. I mean we are already in the middle of it, we are getting to the point where machines are going to talk to machines. At the next annual seminar a panel

discussion on the automated aspects of classification management would be in order.

I would also like to thank Gene Suto, the Secretary-Treasurer of the NCMS Washington Chapter, for his work as the seminar treasurer. And as your first Seminar Chairman, I thank you for your attendance. I hope that we have provided something that was provocative, and I hope your time here was worthwhile.

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